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ABSTRACT

The Frontline Management Initiative (FMI) provides a framework for competency-based development of frontline managers in Australian enterprises. The FMI's impact on businesses was examined in a national study that included the following activities: focus groups; a national survey of management development and targeted national survey of FMI users; more than 120 telephone interviews with managers responsible for training; and in-depth interviews with FMI managers, participants, team members, and line managers. The study documented FMI's limited penetration and enterprises' lack of awareness of the FMI. FMI was seen as a framework most suited to medium and larger businesses in both the private and public sectors. A link between investing in training and business growth was discovered. For those enterprises that opted to undertake competency-based management development, the FMI framework had a significant impact. The study suggested that to maintain its impact, the FMI must build the quality and sustainability of FMI practices and extend its penetration. The bibliography lists 149 references. The following items are appended: research questions and benefits; focus group protocol; national survey questionnaire; telephone interview protocol; case-study protocols; selected broad survey responses; telephone interview responses; case study matrix for impact rating; and draft mechanism for improving enterprises' performance titled "Investing in Change." (Contains 26 tables and 149 references.) (MN)

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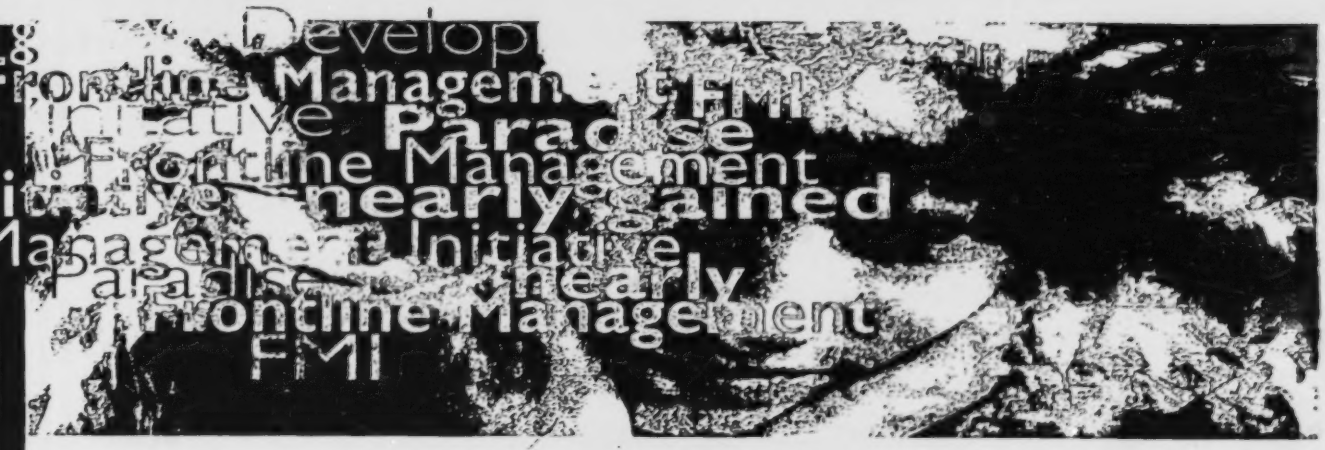

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Volume 1: Developing the Frontline Management Initiative

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Volume 1: Developing the Frontline Management Initiative

Llandis Barratt-Pugh

Geoffrey N Soutar

NCVER

Editor's note:

This report has been organised into two volumes. The first volume describes the background to the study and offers a review of the relevant literature. This volume also details the methodology used for the project, including selection of case-study sites, lists the project outcomes and raises a number of issues for further consideration. The second volume, comprising the case studies, can be found on the NCVER website www.ncver.edu.au

Erratum
page 74
For 'Of HRD managers engaging in the FMI, many are unaware'
read 'Many HRD managers are unaware'

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Foreword

It has been more than seven years since the considerable research undertaken by the Industry and Task Force on Leadership and Management Skills was published, indicating the pivotal role that management plays in developing an enterprising nation. Since that time, the increasing complexity of the managerial environment has served to emphasise the challenge of moving from traditional autocratic patterns of management towards enabling leadership.

The *Enterprising nation* report placed the critical relationship between management development and business effectiveness on the national agenda. The report included a number of recommendations to support a change towards a more relevant leadership style and the development of more diverse and more effectively trained managers. The weight of professional and academic comments since that time has only served to emphasise how appropriate this focus on the interactive soft skills of management is for managing in more fluid and competitive organisational environments.

The Frontline Management Initiative (FMI) was suggested as one of the significant levers for change within the *Enterprising nation* report. I have watched the initiative develop through extensive Australian National Training Authority (ANTA) consultation with industry into what was the first national training package. The evidence gathered within this report indicates the framework has made a significant contribution towards business effectiveness for those enterprises which have taken up the challenge and has been a blueprint for a more flexible approach to workplace learning.

We all have a vested interest in making Australian enterprises more effective and competitive. It is evident that the FMI can be a significant tool in this regard. I would urge all stakeholders to review the evidence that has been gathered during this research project and give serious consideration to its recommendations to expand and develop the initiative.

The FMI is just one of many knowledge-constructing tools that are available to enterprises. However, as the evidence in this report shows, the FMI has a capability to extend individual managerial identity, develop organisational learning and contribute to business growth. Such management development is critical if we are to continue building an enterprising nation.

David S Karpin

Chair of the Commonwealth Government commissioned
Industry and Task Force on Leadership and Management Skills
and author of the subsequent *Enterprising nation* report

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Preface

This report builds on a number of previous management development studies and only exists because the recommendations from those studies resulted in significant change. The researchers would like to thank previous practitioners, researchers and decision-makers who enabled this project to take place. It is to be hoped this publication will also contribute towards further change and development in managing and learning.

In the late eighties and early nineties, several studies voiced concern about the inadequacies of Australia's management training and development programs. The Commonwealth Government's decision to set up the Industry and Task Force on Leadership and Management Skills in 1993 began a significant process of change. The subsequent *Enterprising nation* report indicated, among a number of other issues, the need for a workplace-based development program for frontline managers. This introduced a competency-based approach to training and learning to management development. Much of the developmental work for the Frontline Management Initiative (FMI) by the then emerging Australian National Training Authority (ANTA) built on previous studies in the United Kingdom, which had created the Management Charter Initiative (MCI).

The development of an innovative relationship between ANTA and Pearson Education (the publisher of the FMI kits) initially provided the basis for a new venture in management development to Australian enterprises and organisations. Subsequently, the National Research Evaluation Committee (NREC) decided the FMI had been in the public domain for more than three years and that there was a need to investigate the impact of the initiative on Australian organisations. The present report is the result of that evaluation.

Much of the initial thought about the project was framed by the first evaluations of competency-based management learning undertaken by Leman (1994) and actioned by Winterton and Winterton (1996). Their work provided a foundation for the present research study.

Glossary

ACC	Accreditation of current competence
ANTA	Australian National Training Authority
AQF	Australian Qualification Framework
BP	Business performance level in the FMI causal chain
CBMD	Competency-based management development
CBT	Competency-based training
CEO	Chief executive officer
EFMI	Evaluating the Frontline Management Initiative
FMI	Frontline Management Initiative
GM	General manager
GNVQ	General National Vocational Qualification (UK)
HRM	Human resource management
HRMD	Human resource management development
HRD	Human resource development
IIP	Investors in People—HRM quality assurance scheme
IP	Individual performance level in the FMI causal chain
ITAB	Industry training advisory board
MCI	Management Charter Initiative (UK)
NCVER	National Centre for Vocational Education Research
NTB	National Training Board
NTF	National Training Framework
NVQ	National Vocational Qualification (UK)
NREC	National Research and Evaluation Committee
OH&S	Occupational health and safety
OP	Organisational performance level in the FMI causal chain
RTO	Registered training organisation
RCC	Recognition of current competence
RPL	Recognition of prior learning
SME	Small-to-medium enterprises
TAFE	Technical and further education
VET	Vocational education and training

Acknowledgements

Our torments also may in length of time
Become our elements.

Paradise Lost 1667, book 2, l.274

The authors would like to thank the members of the project advisory group for their assistance and guidance of the project. In particular, we are grateful to Steve Quirk and David Karpin, who gave so much of their time to reflect and comment on the research direction and the emerging evidence. In addition, the support given to the project by Pearson Education was extremely helpful.

There is little doubt that this project was enriched through the involvement of a diverse and experienced research team which provided critical insight in the development of the methodology and, subsequently, in the interpretation of the data. These key researchers assisted the authors by managing the state data-collection processes and providing the initial analysis of the qualitative data in their state. Colin Sharp in South Australia, Dianne Mulcahy in Victoria, Catherine Smith in New South Wales and Trevor Williams in Queensland have each been significant contributing partners, ensuring the quality of this research project. The project could not have been completed without their assistance.

This project also owes a great debt to the enterprise managers who had the courage to implement this management development initiative and create new learning processes within their organisations. We gratefully acknowledge the co-operation of the many enterprises and organisations which returned questionnaires or responded to our telephone interviews. We are especially grateful to the 19 organisations that allowed us access for field interviews and for those people who gave their time and thoughts so freely. The cases represented in the second volume of this report represent a unique and multi-layered picture of a significant learning and development venture. The quality of the case studies says much about the relationships that have been built between the managers and the researchers and research assistants who listened and drafted the narratives.

Thanks are due to the state-based research assistants who were significant team members, influencing the construction and direction of the project and moving beyond their original administrative and data-collection roles. We wish to acknowledge the work of Rhonda Stacy, Anama Morriss, Jane Meltzer, Elizabeth Deveney, and Fiona Olsen. The project has been fortunate to have such high-calibre interviewers contributing to the analysis process. Thanks also go to Julia Turner, Marcelle Williams and Lorraine O'Neill-Cooper for assistance with the postal surveys and analysis and to Penelope Curtin, who edited the final document prior to publication.

The research team would like to thank Andy Smith and Jennifer Gibb from the National Centre for Vocational Education Research (NCVER) for responding flexibly to suggested changes in the project and for playing an active role in monitoring the project. The project has constantly been informed by the practices of those involved in the FMI and has reacted to these throughout the research process. The support of the NCVER towards such an adaptive process has been critical and has contributed significantly to the quality of the outcomes and the effective use of the resources provided.

Finally, Rhonda Stacy who has been critical, both in enthusiasm and in maintaining quality, in assembling this final report. We would also like to thank the reviewer who has helped steer the project and been kind enough not just to offer informative critical comment, but to supply the study with important references and wise advice.

The various state researchers were responsible for drafting the case studies. However, individual authorship has not been ascribed to preserve the anonymity that was agreed with the various case-study enterprises.

Executive summary

The mind is its own place, and in itself
Can we make a heaven of hell, and a hell of heaven — *Paradise Lost* 1667, book 1, l.249

Introduction

The Frontline Management Initiative (FMI) already provides a framework for management development for almost 30 000 frontline managers in Australian enterprises. However, what is most interesting, is that it is the first national initiative designed to support workplace and organisational learning. Developed from the recommendations of the *Enterprising nation* report in 1995 (Karpin 1995), the Frontline Management Initiative is designed as a key lever to increase management capability and performance and, thereby, to improve business effectiveness.

The FMI is significant because it is a national program of competency-based management development with a flexible framework that can be adapted to diverse organisational environments. While nominally focussing on individual manager development, the initiative is based in the workplace and has a capacity to act as a catalyst for organisational learning and cultural change which can build business capability. The FMI is a move away from restricting training and learning to certain places and times, towards workplace learning and knowledge construction. The present study shows the potential of the FMI to be a high-leverage initiative capable of linking individual development to business performance improvement.

Purpose and method

The purpose of this study is to examine the impact of the FMI in the workplace. The primary objective is to determine the difference the FMI is making to businesses and what changes occur in organisations which adopt the FMI.

The *Enterprising nation* report argued that business growth depended on the development of more enterprising and diverse organisational climates, which could only be constructed through better trained managers with improved interpersonal managerial skills. This study investigates the impact of the FMI at individual, organisational and business levels and collects evidence about the strategic intent of organisations adopting the FMI. The analysis of the emerging FMI learning processes and pedagogic relationships are secondary objectives of the research.

The multidisciplinary research team, based in five states, began by examining FMI practices through a series of focus groups. A national survey of management development and a targetted national survey of FMI users followed. Over 120 telephone interviews were then undertaken with managers responsible for training and learning. These respondents were mainly FMI users, but some non-users were interviewed. Finally, 19 organisations provided access for in-depth, semi-structured interviews with FMI managers, participants, team members and line managers.

Findings

The most evident outcome from the survey is the limited penetration of the FMI and the lack of awareness about the FMI. The survey confirmed that the FMI is seen as a framework most suited to medium and larger businesses, in both the private and the public sectors. The survey also suggested there was a link between investing in training and business growth.

The subsequent survey of FMI users confirms there is strong staff involvement in training within such organisations, a positive response to the FMI and evidence of organisational impact. However, strategic orientation varies markedly between organisations with, in some instances, a blurring of boundries between user and non-user groups—FMI components are sometimes borrowed and adapted by non-user groups. In conjunction with the later telephone interviews, the survey suggests that, by late 2001, over 25 000 people had participated in the FMI in more than 1000 organisations nationwide. The survey evidence suggests the FMI experience improves managers' capability to change and innovate.

There is a strong congruence between the findings from each stage of the research. The telephone interviews suggest that non-FMI organisations are more likely to have sporadic training cultures, but where they are aware of the FMI, there is often a desire to explore and make a case for using the FMI. The interviews highlight the embryonic nature of most FMI initiatives, which were mainly in a pilot or first-year stage at the time of data collection in this study.

The subsequent case-study interviews suggest training managers' enthusiastic, and often evangelical, responses to the FMI are shared by many participants and staff. The FMI is seen as a successful initiative in nearly all organisations, with the remainder suggesting that their own processes, and not the FMI framework, are responsible for any lack of impact. At an individual level, managers have a more confident identity and more competence in communication skills. The FMI is seen as initiating improved workplace interactions and attitudes to innovation. Each mature FMI user provides evidence of business impact, as do those immature users building developmental FMI programs. The strategic nature of the initiative means that it may be some years before business impact is evident. Most of the case studies provide evidence of business growth, or survival in tough environments where the FMI is seen as a significant contributor. In terms of the underlying chain of development, the FMI is seen to have had a significant impact at an individual and organisational level, and there is growing evidence to suggest it will impact more widely at a business level as local practices mature.

It is clear that the diverse practices evident in the case studies can be viewed as a continuum of FMI practice, beginning with training or accreditation but moving towards a more developmental FMI model. Basic models are externalised, didactic and have limited managerial involvement. The developmental models have diverse workplace learning practices, and greater managerial involvement is evident in the FMI.

The emerging picture is of a sporadic and diverse FMI landscape, mainly found in medium and larger organisations, with positive and often evangelical users in the earlier phases of FMI activity. These people are a vanguard which marks a significant shift to workplace learning, providing evidence of the FMI as a high-leverage initiative. It is evident that a strategic approach and a good human resource development (HRD) infrastructure create a developmental FMI program, and that a lack of such planning and support inhibits FMI adoption.

The competencies at the core of the FMI appear to be robust, adaptable and have been translated into diverse FMI practices as varied as the organisations involved. FMI users form a continuum of practice, from accreditation to developmental models. Developmental models, with diverse learning pathways and strong management support, are increasing organisational effectiveness and the cultural impact of the FMI. At an individual level, the FMI facilitates the formation of managerial identity. Organisationally, the impact is on communication and team-building, emphasising critical interpersonal management skills, with the FMI acting as a catalyst for

organisational learning activities. However, concern about the validity and comparability of assessment standards is almost universal.

Most users report business improvement and suggest the FMI is one of several significant contributors facilitating change. It is surprising that, while it may be too early to expect significant evidence of the relationship between FMI adoption and business effectiveness, many organisations reported evidence of such a relationship. There are even indications the FMI may be critical in challenging the barriers of accreditation and articulation that exist between traditional higher education programs and workplace competency-based qualifications. In many cases, the emerging structures of the FMI have been a catalyst that has generated new learning practices and contributed to the extension of managerial identity. However, such cases are not universal and there is still considerable territory that the FMI is yet to colonise.

It is evident that the FMI has greater impact where it is actively managed by the enterprise, viewed as an investment and given symbolic and substantive support to build a developmental program. Support from learning champions and bundling with associated strategic initiatives underpin such programs. The study found the FMI was a high-leverage initiative with considerable impact beyond the participant group. It seems the FMI is a pilot initiative in establishing learning as a core business activity, legitimising workplace learning and is instrumental in forming a workplace learning structure. As such, the FMI can be viewed as a significant platform for changing attitudes so that instead of training being seen as a staff cost, learning is seen as a business investment. A number of the case-study organisations are constructing attitudes and structures that bridge individual development and organisational performance improvement, both conceptually and substantively.

Implications for further consideration

The research found the FMI framework had a significant impact on enterprises that took up the challenge of competency-based management development. To maintain this impact, the FMI will need to build the quality, and, thereby, the sustainability of FMI practices, and extend its penetration. Previous studies suggested that a competency-based approach to training can systematise enterprise learning at practical and mechanistic levels and give immediate benefits. By contrast, competency-based management development is a longer-term strategy that requires vision and investment to realise the far greater rewards. From the evidence gathered in this study, the research team feels the following strategies offer the greatest potential to achieve such an outcome.

Enhancing the quality and sustainability of the FMI

While there is support for the existing competence framework, emerging FMI practices are diverse and have produced both accreditation and developmental models. It is evident that developmental models are more likely to facilitate organisational development. However, they need intensive leadership and investment. Further, there are real concerns that assessment processes may undermine the currency of FMI achievements.

Creation of a supporting agency or network

Building developmental FMI practices is a complex task that requires symbolic and substantive support. Training and people development managers are asking for the support of an agency that networks FMI users and facilitates interaction and dialogue between them about FMI practices. Such an agency could also play a major role in promoting the more effective validation and moderation of FMI assessment practices. In addition, the agency could research FMI best practice to provide case material which could influence CEOs and senior managers to invest in developmental FMI models. Such a supportive structure exists for the Management Charter Initiative (MCI) in the UK.

Increasing the penetration of the FMI

While FMI users generally report satisfaction with the framework and organisational impact, they are still a minority voice. The majority of managers responsible for training were unaware of the FMI initiative. Many of those who were aware, were keen to make a business case inside their organisation. While the patterns of FMI penetration were similar geographically and by industry type, smaller business generally had little interest in the FMI. The potential market for the FMI is still vast.

Marketing FMI success to non-users

It is evident from current FMI users' responses that the use of the FMI is likely to improve business effectiveness. A renewed marketing campaign, based on current FMI successes, is needed to reach a wider network of senior and training managers. In particular, a second round of workshops should be held. Increasing online materials would enhance the potential for customisation. Consideration should be given to making more components of the FMI freely available to promote enterprise use.

Small business development corporations and regional development organisations might consider accessing Department of Employment, Science and Training (DEST) funds with the aim of promoting small- and medium-sized business FMI learning clusters and ensuring that all enterprises are aware of the funding available to support FMI initiatives. The use of the accumulated authoring trust funds to market the developmental FMI model to users and non-users would appear to be appropriate.

Continued monitoring of investment in the FMI

Given the present impact and potential of the initiative to improve business performance, further research is needed to learn how to leverage the impact of emerging FMI practices.

Investigation of organisational standards in capability building

A feasibility study should be undertaken into the drafting of organisational standards or competencies in capability building which could serve as a reference point for enterprise development practices and that might form an award or monitoring framework underpinned by tax incentives. The case-study sites could be revisited to provide further detailed accounts of business impact and the FMI competencies, subject to a later review by FMI graduate managers. The role of those developing and orchestrating workplace learning within enterprises should be a focus of further research.

Conclusion—paradise nearly gained

While a significant amount of territory remains untouched by the FMI, there are very positive responses from users and user organisations. In the more developmental models, new learning structures are being created that have significant potential to leverage organisational learning and lead from individual development to business performance improvement. In such organisations, learning is beginning to be viewed as a core business capability. Many managers and participants talked enthusiastically of their critical learning experiences and subsequent innovative action. It would appear that, currently there is a very real opportunity to introduce more managers and organisations to such an environment.

Context of the FMI

United thoughts and counsels, equal hope
And hazard in the glorious enterprise. *Paradise Lost* 1667, book 1, 1.88

Researching the impact of the FMI

In 1995, the Karpin report suggested there were inadequacies in the processes that developed Australian managers and in the management cultures of Australian enterprises. The Frontline Management Initiative was one of a number of key levers suggested to revitalise management development and to increase the effectiveness of Australian business. This research report outlines the results of a study of the FMI which attempted to determine what is different and what has changed since its introduction. Detailed accounts of the emerging impact and diversity of FMI practices can be found in the accompanying case studies.

The FMI was launched into a commercially developing training market in the late 1990s and has had to meet diverse organisational needs in an increasingly complex management environment. What is the effect of the FMI on Australian business? Who is involved and how do they rate the impact and benefits of the FMI? This study has been designed to provide answers to these questions. Perhaps even more importantly, the study examined diverse stories from many organisations in an attempt to identify ways to enable the FMI to exert an even greater impact on Australian enterprises in the future.

The report is illustrated by the management development practices of diverse organisations and tries to provide a picture of what the FMI means for Australian enterprises. It concludes by suggesting a number of strategies which might lead to the FMI exerting a greater impact and consequently to better business benefits.

Purpose of the research study

The central focus of the project is an examination of the relationship between frontline management development and organisational effectiveness. The purpose of this study is two-fold: firstly, to examine the impact of the FMI by determining the difference it has made in the workplace and the benefits it has brought for people and businesses; secondly, to develop strategies for improving the effectiveness of the scheme.

The NCVER indicated that, while the primary stakeholders were enterprises, HRD managers and frontline managers, the key target audiences for the outcomes of this project are training authorities, training providers, and FMI publishers (in this case, Pearson Education).

Why should a research study of the FMI focus on outcomes more than on processes? The rationale for such an approach was based on the assumption that the FMI is not a detached training program (Smith 2000). The Karpin report clearly indicates the link between managerial development, organisational change and subsequent business benefits for social wealth.

Importance of the study

Set in this context, the FMI can be viewed as a critical foundation for business success and national prosperity. It was seen by the Karpin report as a significant resource for improving managerial competence that would target more than 100 000 managers. Further, as the FMI kit notes, 'frontline managers [were] identified as central to improved productivity in the workplace'.

The study examines two areas of intense debate; namely, the development of a competency-based approach to training (CBT) and the creation of managerial learning for business development. In the first area, there is an emerging form of second-generation CBT since it is an open market training package based on learning in an organisational context. In the second area, the FMI underpins moves toward continual management development in the workplace that helps organisational learning and business innovation. The FMI is a critical VET and managerial initiative, developing individuals and promoting managerial learning cultures that can improve business performance.

The FMI marks a significant change by introducing a competency-based approach to management development and by introducing an adaptable competency-based learning technology to vocational learning processes.

The FMI is a shift in management development and VET thinking, from attempting to define the place and time at which learning takes place, towards integrating learning with, and valuing unique work situations and workgroups. The FMI framework is a move within both management and learning towards a socio-cultural perspective of learning and managing. The evaluation of the initiative is a significant opportunity to gauge the impact of such an adaptive learning framework.

Aim and objectives of the study

The aim of the study was to gather sufficient evidence to enable a judgement about the effectiveness of the FMI and to make recommendations to support more effective practice.

Research objectives

Having considered the experiences of a previous British evaluation of a similar initiative (Winterton & Winterton 1996) and recent NCVER competency-based studies (Mulcahy & James 1999; Billett et al. 1999), this study focussed on a linked series of research objectives. The primary objective was to examine the impact of the FMI in terms of improved frontline management skills, organisational performance and business performance. In addition, the study explored the relationship between company strategy and the use of the FMI. The processes, acceptance and influence of the FMI were secondary outcomes of the research study. Figure 1 identifies the four research objectives for this study.

Figure 1: EFMI research design

Individual impact	→	What changes in individual performance are associated with the FMI?
Organisational impact	→	What changes in workplace performance are associated with the FMI?
Business impact	→	What changes in business performance are associated with the FMI?
Strategic intent	→	Is a strategic approach to the FMI associated with more effective performance?

Review of relevant literature

Chaos empire sits,
And by decision more embroils the fray
By which he reigns; next to him high arbiter
Chance governs all.

Paradise Lost 1667, book 2, l.907

Introduction

The Frontline Management Initiative is a national framework representing significant changes in the conceptualisation of learning and managing. The FMI marks a movement from training towards learning and a movement from controlling towards innovation within organisations. The introduction of a systematic approach to management development with national competencies, combined with a fluid and adaptive mode of delivery, is a sea change in learning frameworks.

The FMI embodies a socio-cultural perspective, in which managing and learning are seen more as complex group interactions and less as individual struggles. The FMI is designed with a framework that can be customised and adapted to meet diverse organisational and individual needs. The result is that this FMI framework is open to interpretation by every FMI organisation, provider, manager and participant, and consequently, diverse learning practices are developing.

When exploring the diversity of the practices which emerge in this study, it is important to understand how and why the FMI structure was developed and what differences in practitioner thinking underlie the various interpretations of the FMI. To assist, this section reviews precedents of competency-based management development and the origins of the FMI. It also outlines some current socio-cultural trends in learning and organisational development relevant to an exploration of the emerging FMI practices reviewed in this study. This review examines the relevant literature in the following areas:

- frontline managers
- management and organisations
- moving from training to learning
- changing perceptions of knowledge
- management development
- competency-based training
- Frontline Management Initiative.

Frontline managers

Frontline managers are a diverse group. Some are at the start of a career, while others have been entrenched in these positions for decades. There is also great diversity in the extent to which they are included in, or excluded from their own management cultures.

Let us start with the way this group has been named. Their title has changed from foreman, to leading hand, to supervisor, to team leader, representing critical stages in managerial development as organisations recognise and value human capital (Dunkerly 1975). Not only are frontline

managers a key group in terms of the managerial skills gap identified by the Karpin report (1995), but they are a potentially critical group in the development of more inclusive and consultative managerial cultures (Kilpatrick, Falk & Bell 1998). Frontline managers were previously valued for their technical skills and used as instruments of control. Now they need to develop interpersonal skills for a more complex management environment, in which their role often involves explaining guidelines to knowledge workers and overseeing the written work that they, in turn, produce. Language skills and the control of meaning is becoming a primary instrument of managing, even for frontline managers.

The move from cop to coach outlined in the Karpin report, places the frontline manager as the facilitator of workplace learning, where management guidelines representing 'good practice', meet the dilemmas of team members in the workplace. This is a new form of production with which the frontline manger has to grapple, producing a new meaning and identity (Du Gay 1996; Gee, Hull & Lankshear 1996). It is critical as their teams are 'the actors through whom [enterprise] strategy unfolds' (Hendry, Arthur & Jones 1995).

There is a significant variation in the extent to which frontline managers are encouraged to participate in, and contribute to, organisational learning (Marsick 1997; Stevenson 1997). Indeed, de-layered and re-layered middle management may resist their inclusion (Sharp 1996). In addition, there is potential conflict as frontline managers are often asked to act as the last line of management authority control, and also to facilitate group activity (Williams 1997). In some organisations the complexity of their role and these emerging skills may not be valued (Bourdieu 1990).

This study recognises that the role complexity of such a diverse group presents a challenge to any nationally orchestrated program. It is not just the diversity of the group which challenges the FMI, but the way that each organisation sees and positions its own frontline managers. The nature of these relationships shapes local FMI practices. Are they included in their own management structure, included in learning and change processes, valued for their people skills and given the resources to learn?

Management and organisation

The Karpin report (1995) made specific recommendations for management and organisational cultures and business effectiveness in Australian enterprises, which are reviewed in a later section. The report also provided a considerable underpinning rationale for generating 'new management' skills. At the core of the Karpin report was an appeal to generate managerial climates that value innovation and diversity—creating enterprising cultures. The management cultures described emphasised 'soft managerial skills' and extensively referenced Drucker (1988), Stalk and Evans (1990) and Handy (1990). The emphasis was on building management capability to manage between processes, and on creating unique configurations of capabilities with knowledge workers, who will soon be the largest employee group in advanced economies (Drucker 2000b, 1999b). Such a management style recognises that knowledge is distributed within an organisation, values organisational diversity and seeks continued organisational learning and innovation (Drucker 2000a, 1999a).

An alternative perspective on the development of enterprise and organisational learning views such moves as a managerial ploy to gain more from its workforce (Du Gay 1996). In the past, mechanistic work was controlled by ordering employees. Managers wanted to know where employees were and what they were doing. Knowledge processing jobs are less tangible and less bound by place and time. Whether in large or small organisations, people are thrust into an enterprising world, in which knowledge workers are required to be enterprising beings for their organisation. The world of work for knowledge workers has increasingly become a 24 by 7 (24 hours a day, seven days a week) job. Casey (1995) argues that such an enterprising work identity is often unsustainable. Being enterprising may initially look good, but if it has significant costs for people, it is unclear how effective such an organisational investment is likely to be.

The Karpin report noted that some key skills will be required within enterprising management cultures and these are included in the FMI competency standards. The Karpin Committee suggested managers would need the skills to:

- ✧ manage knowledge workers
- ✧ create unique configurations of human resources
- ✧ manage between the established processes within the organisations
- ✧ create a culture of innovation and enterprise
- ✧ negotiate diverse solutions and value diversity
- ✧ communicate with and motivate and diverse worker groups.

Frontline managers may find themselves in organisational frameworks that are changing from traditional patterns of control towards enterprising patterns that value diversity and reflective interaction. However, it is likely FMI practices will emerge that mirror existing organisational patterns and management styles.

Chapman (J Chapman 1997) suggests that management styles which favour one approach and emphasise scientific measurement are being replaced by styles that value multiple interpretations. Management is increasingly conceptualised as a process of debate, rather than as a process of instruction (Hardy & Palmer 1999; Palmer & Hardy 2000). Such approaches may require the softer skills emphasised in the Karpin report and recently reported as desirable management skills in Australian business (Smith 2000). These skills include negotiation, environmental scanning, seeking contrary evidence (including diverse perspectives), tolerating ambiguity and accepting paradoxical actions.

More fluid and adaptive styles of management recognise the complexity of managing, where few cause-and-effect relationship exist and where managers are faced with intractable dilemmas of people in workgroups (Clegg 1990; Linstead & Grafton-Small 1996). Managers are in a continual process of negotiation to gain new and agreed understandings and then disseminate these new understandings throughout the organisation (Berquist 1993). Such a management approach is very different from previous approaches that emphasised control (Taylor 1947). The primary aim of organisational control is replaced by multiple and adaptive objectives (Hames 1994). The concern is to adapt an organisation to a changing environment, rather than maintaining internal order (Legge 1995). These more fluid management cultures are likely to be based on transient goals and less rigid organisational structures (Boje & Gepart 1996).

Organisational structures are less hierarchical than in the past. Network structures, spherical structures and enacting frameworks, driven by external relationships, rather than internal control configurations, are emerging in new and adapting organisations (Snow & Miles 1995). Within Australia, some organisations are adapting their structures and have developed radically different forms (Palmer & Dunford 1999).

Perhaps, as Legge (1995) suggests, in such a changing organisational context, the FMI may be interpreted by management as a detached part of management training, or it may be integrated within organisational practice. The emerging practice of the FMI may well be determined by the extent to which management has experienced a change of core values towards adaptive structures, goals and behaviours (Whiteley 1995). The FMI is encountering organisations with generative organisational goals, different attitudes to organising, transitory organisational structures, virtual organisational relationships and multiple modes of 'employment'. The FMI is being implemented within an environment of change. Changes in organisational forms and the skill which managers need present the FMI with a significant challenge as it attempts to adapt to diverse organisational configurations and management climates.

Moving from training to learning

The Karpin report recommended a competency-based management learning initiative for frontline managers in order to build more effective management skills and managerial cultures designed to improve organisational effectiveness. However, the framework constructed within the present study was also significantly influenced by emerging discussions about organisational learning, which provide a catalyst for innovative and adaptive cultures (Argyris & Schon 1986; Senge 1990; Marsick & Neaman 1996; Watkins 1996).

There are key features characterising the move from a training approach towards a learning approach. The location of learning moves to the workplace and workplace activity becomes the learning content. The focus moves from texts towards reflective learning processes. All learners are seen as potential innovators, but the importance of learning and working relationships in this process is raised. The relationship between 'learning and culture change is seen as synergistic' (Volet 1998).

In order to move towards organisational learning, organisations have to recognise that learning is integrated with work, and is not an externalised activity, and that knowledge is something that employees can create, not just acquire from external sources (Harris & Volet 1996a, 1996b; Candy 1997; Hager 1998). The previous reliance on prescriptive training practices, with a focus on expert knowledge is less applicable in an environment in which knowledge develops and changes constantly. Training is concerned with processing knowledge passed from experts. Organisational learning is about developing new knowledge with colleagues, for your situation. Ideas are then negotiated and shared with others in the workplace community.

These views are a move from an individual, behaviourist and cognitive training approach, towards a socio-cultural learning perspective. They are based on the work of Vygotsky (1979), who indicated the importance of 'scaffolding' and co-learners in the learning process and, more recently, by Lave and Wenger (1991) and Engestrom (1999), who emphasised the role of the working group in the learning process as 'communities of practice' that support learning and creativity.

However, the movement of learning into the workplace raises several questions about who now controls what is learned (Stevenson 1997; Garrick & Kirkpatrick 1998). Bagnall (1998) and McIntyre (1998) asked if the workplace provides the appropriate learning support for specific individuals, and whether some might be chosen to learn over others. Garrick (1998) suggests that what counts as valid workplace learning will be determined by those with power in the organisation, and discounts the opportunities that might exist for more self-directed learning. There may be no more learning freedom in the workplace than there was in the previous 'iron cage' of the classroom (Boje 1994).

How many organisations will grasp the concept of organisational learning and use the FMI in this strategic way? How many organisations will develop FMI workplace learning practices but try to control what learning takes place? Will FMI participants be given 'sufficient voice' (Hardy & Palmer 1999), or will their learning experiences be represented and ordered by more senior managers Luke (1995)? It is enterprise choices about training and learning that will determine the practices and outcomes of FMI activity.

Changing perceptions of knowledge

Emerging FMI practices depend on whether organisations favour traditional training approaches or whether they embrace organisational workplace learning approaches. A key driver underlying the approach taken is the value the organisation places on the ability of its people to create knowledge.

The process of developing FMI learning processes is inextricably related to wider changing perceptions of knowledge. Globalised markets have increasingly placed organisations in less stable

environments. Yesterday's practices are no longer appropriate and there is a need for continual improvement. At the same time, work has moved from a manual focus towards a knowledge focus. Organisations increasingly employ knowledge workers (Handy 1990), whose knowledge is a key competitive resource (Hamel & Prahalad 1994).

For such workers, work and learning are an integrated activity as they are produce new knowledge (McIntyre & Solomon 1999). There has been a change within organisations. Previously, knowledge was acquired from external experts but now the potential for creating new knowledge internally is recognised. Knowledge is situated within and distributed throughout the organisation. The implication of a belief that knowledge is a process for all, rather then a substance dispensed by a few, is clear (Nuthall 1999). Externalised training activity is unlikely to be valued in such organisations as it breaks the workplace relationship between learning and working. Organisations that have such beliefs will favour workplace-based development processes that focus on developing employees (Mayher 1990).

Managers who hold traditional views of knowledge value exclusivity and believe in objectivity, viewing knowledge as power (M Chapman 1997). Many managers, however, believe that acquiring knowledge produced by others may be de-powering (Foucault 1980). Knowledge is often subjective and results from influences at a particular time and place (Derrida 1973). At any time a variety of solutions or knowledge are valid (Boudrillard 1983; Lyotard 1984, p.xxiv).

Managers and organisations hold diverse views about knowledge. For some, it is a commandment from experts, for others it is the development of shared assumptions about how the world works (Sanchez 1996). These differing beliefs will colour the development of FMI practices. If knowledge management is a significant emerging organisational paradigm (for example, Marsick 1997; Nonaka & Takeuchi 1995), knowledge production must be a significant organisational concern and the FMI is a potential development tool for those accepting these new values and beliefs.

Management development—towards competency

The FMI is a move towards workplace learning that creates an effective relationship between approaches to management development, management performance and business effectiveness. The present section examines this relationship and outlines the emerging form of competency-based management development. Management development occupies a unique position in human resource development. It is less permeated by instructional modes of delivery and uses mixed modes of learning to harness the synergy between learning and working. Despite this synergy, finding evidence of a link between management development and business effectiveness is difficult.

Finegold and Soskice (1988) outlined the multiple methods, delivery modes and levels of management development. They spanned a traditional mixture of higher education graduate courses, in-house customised short courses and seminars from professional bodies. However, the Karpin report (1995) found that few enterprises had a comprehensive and strategic approach to management development. The complexity of options and individual needs led more often to individually driven ad hoc negotiations than to systematic approaches. In the United Kingdom, Heyes and Stuart (1996) found such an ad hoc approach limited the impact of training. Ordione's study (1984) suggests that attention is given to the stars and the problem children, while workhorses plod forward and deadwood is removed. In most enterprises, management development has little equity, analysis, planning or monitoring and is provided for new managers, problem managers or assertive negotiators.

Smith (C Smith 1999) found that increased competition for good managers, fuelled by a growth in posts, internationalism and an increased demand for strategic thinking has re-focussed enterprises on more effective management development. The current move to a competency approach is both a political and a pedagogic shift. A competency-based approach offers industry more power in defining the goals of learning, moves the focus of learning to the workplace and supplies a

systematic competency analysis linking company and individual needs. Previous prescriptive theories of management development focussed on defining management traits, while descriptive theories focussed on the interpersonal, informational and decision-making aspects of the management role. By contrast, a competency framework can be adapted to each business and its workplace focus tackles traditional problems of training transfer head on. The 2% of time spent on training is moved into the 98% of time spent working, integrating systematic management development with subsequent management performance and driving improvements in business effectiveness.

There is a torturous relationship between training and development, job performance and business effectiveness. While Smith and Hayton (1999) map what may drive and moderate strategic training activity, there are many other factors that affect an individual's performance. Even if these factors could be accounted for, Trist and Emery (1990, p.72) remind us that 'the main problem with studying organisations is that their environments change their causal texture'. Billett and Cooper (1997, p.15), in a review of several VET studies, had difficulty 'separating the benefits of training from those attributable to other factors'. However, current research suggests there is a positive link between management development, strategic human resource initiatives and business outcomes.

Becker and Gerhart (1996) found several studies that show a positive link at a company level between strategic HR value-adding activities, such as competency-based management development (CBMD), and organisational performance. Huselid, Jackson and Schuler (1997) also reported increases in productivity and company value after strategic HR activities had been undertaken. However, Rogers and Wright (1998), in reviewing a range of studies linking HRM strategies with organisational performance, found that, while a positive relationship seems to exist, it is neither consistent nor universal. Dyer and Reeves (1995) note that HR has a greater impact on enterprise productivity when bundles or configurations of micro strategies are used simultaneously. It is interesting to note that the FMI is often 'bundled' with other strategic initiatives. Lepac and Snell's (1999) model of human resource architecture suggests that the FMI focusses on one aspect of building human capital and may need partner initiatives.

It was the largely anecdotal link between management development and organisational effectiveness that led the United Kingdom to develop a competency-based approach to management development. Silver (1991) describes how successive British reports argued that UK management development was inadequate in quantity, quality, approach and continuity. Further analysis indicated that any new system should be modular, have credit transfer awards, and be structured with vertical and horizontal flexibility so it should grow with demand.

The traditional definition of management's role was significantly disturbed by Mintzberg's (1980) study of what managers actually did. There was considerable interest in Boyatzis's (1982) analysis of management competencies, which mirrored the competency-based approach of the new VET system. There appeared to be considerable logic in using a competency-based system as the framework for management training and the Management Charter Initiative (MCI) was formed in 1987, bridging the traditional divide between management education and management training, by developing a workplace-based approach to learning (Silver 1991).

In the 1990s, the MCI was developed in association with the Investors in People Scheme, which was a quality audit of HR practices that provided an overarching strategic framework for CBMD. Leman (1994), who headed a group formed by the Department of Employment, began to plan a review the MCI, suggesting several guidelines for such evaluation, notably:

- The focus should be on broad cultural sets of changes in managers, organisations.
- The link between the MCI and organisational performance should be examined.
- A case-study method would be a useful research approach.
- Multiple evidence collection was an appropriate approach.
- The study should be based on hypotheses and a case selection matrix.

The Leman study proposed examining the chain that linked individual, organisational and business effectiveness, mirroring the Karpin Committee's central argument. There was already significant anecdotal evidence that there 'were real pay-offs from using the standards, in terms of business effectiveness,' from the MCI pilots, in which participating managers were found to be more confident, better motivated, more involved in decision-making, clearer about organisational objectives and better organised.

While the Winterton (1999) study provides evidence that a competency-based approach to management development has significant advantages for individuals, organisations and businesses, there has been much critical comment about using a competency-based approach to management development. Many comments emphasise the limitations of a system based on constricting and narrow skills, where hard statements are used for the development of soft skills and adaptability (Briscoe & Hall 1999; Buckingham 1999). Antonacopoulou and Fitzgerald (1996) suggested that CBMD fails because it attempts to bridge individual needs and organisational expectations. This results in a framework that over-specifies roles, aims at generic skills and lacks clarity about underpinning knowledge. The practice is dominated by a mechanistic assessment process, fails to focus on future skills needs and value a manager's less tangible assets and relationships.

However, in contrast to more functionalist and descriptive approaches to management development, the competency-based approach can replace a concern with the conceptualisation of management, with a concern for the practice of management and a recognition of the diversity of management practices (Wallace & Hunt 1996; Slater 1992). Many people erroneously focus on what seem to be prescriptive competency statements, creating a misconception that competency-based tools are inherently mechanistic and equated to traditional and rigid forms of learning (C Smith 1999). The focus on real workplace activity enables managers to develop their own methods of learning and their own theory of managing (Greatrex & Phillips 1989; Cant 1993).

Following their 1993 overseas study tour, the Karpin Committee reviewed the MCI and began to focus on frontline managers and to embrace CBMD. The FMI was developed by ANTA and a pilot study began in six sites between November 1996 and May 1997. Revised FMI guidelines were formulated by August 1998 and launched in late 1998. Since that time, a competency-based management development approach has been marketed by more than 1000 of the 6000 training organisations registered in Australia.

The FMI is a significant change in management development practice but to what extent has it introduced a more systematic approach to management development? Is the FMI related to improvements in business performance and has enterprise customisation reduced mechanistic approaches and empowered manager learning?

Competency-based training

There are two central features in the competency-based approach to training and learning in Australia that were important in framing the present research project. The first is that the competency-based approach was firmly established during the 1990s by successive governments (Finn 1991; Moran 1995). The second is that, during this period, there was considerable academic comment about the limitations of a competency-based approach (for example, Hager 1995; Gayle 1992; Collins 1992), especially when juxtaposed with the development of a training market (Anderson 1996).

The competency-based approach introduced a significant shift in vocational training thinking and was based on similar changes that were occurring within the United Kingdom (Jessup 1991). There were four key features in this changed approach to vocational training, namely:

- a change to industry control and definition of the training standards
- a change to criterion and workplace-based assessment

- ✧ a change to learner-centred timeframes for mastery learning
- ✧ a change from front-end loading education to lifelong learning.

It is evident that, in an environment of significant change with the re-formation of a national system, not all of the key features were secured. Political interests were responsible for significant bureaucratic structures and the accreditation of curricula, both of which stifled change, curtailing learning choices within the new competency-based approach. Mulcahy and James (1999) provided a detailed analysis of the development of CBT. Significant advances were made during the period, including:

- ✧ the development of a national vocational training system
- ✧ the introduction of a market approach to training
- ✧ a change in the language of training and learning within the sector
- ✧ the acceptance within industry of a more systematic approach to training.

In many ways, the competency-based approach to training can be viewed as training's response to the quality management movement. However, a number of authors has indicated the limitations of the first wave of competency-based training technologies. The introduction of a competency-based approach within Australia was an interesting meeting between a learning platform, criticised as a limited and restricted pedagogy (Gayle 1994), with a learning context that has previously resisted systematic approaches. Critical comment highlighted the following weaknesses:

- ✧ confusion about the precise nature of competency (Hager 1994)
- ✧ erroneous beliefs that competency alone will produce performance (Hayes 1992)
- ✧ competency only for lower-level skill areas (Gayle 1992; Towers 1992)
- ✧ conflict of hard framework and fluid outcomes (Collins 1992; Jonassen 1991)
- ✧ bureaucratic development that strangled its potential (Moran 1994)
- ✧ lack of staff preparation for such significant changes (Baumgart 1992).

Hager (1995) suggested that rejecting competency standards would be misguided, as they are educationally valuable when used wisely. As Fletcher (1993) commented, it is a mistaken view to see CBT as a system of training ready to be implemented, rather than as an assessment framework waiting to be developed. It is a blank canvas that offers an opportunity to break away from previous prescriptive methods of training where, as Lange (1993) suggests:

> *The participants become dependent on trainers and programs rather than becoming independent, lifelong learners who are able to continuously learn on the job in a mutual collaborative problem-solving framework.* (Lange 1993, p.22)

The mid-1990s marked a period during which moves were made to develop a training market and to reduce the bureaucracy associated with accreditation and curriculum and to increase workplace learning by providing training packages for each industry group. FMI is generally viewed as a pilot training package and, as such, was the first second-generation approach to CBT. This second-generation approach involved a change in emphasis from instructional curriculum towards a facilitative and enterprise context assessment (Stevenson 1996).

Mulcahy and James (1999), in reviewing the effect of a competency-based approach to training on Australian enterprises, described such a framework as a developmental view of competency. This is significant for two reasons. First, competency is seen as a continual learning process. Second, competency is seen in the context of a workplace environment (Engestrom 1999). Mulcahy and James (2000) indicated that there might continue to be high and low road users of the competency-based approach. Those who follow the first generation approach will progress down a road towards systematic skilling and procedural acquisition. Those who follow the second-generation approach will progress down a road towards a more fluid, adaptive learning process acting as a catalyst for innovation.

The FMI learning framework has a second-generation competency-based foundation, but how will it be developed by enterprises? Is the opportunity for a developmental approach to competency

changing training to learning within organisations, or is the FMI initiative being used as just another training program?

Frontline Management Initiative

The FMI has been eclectic in gathering and focussing local and international initiatives to construct a competency-based approach to management development. Following the recommendations of the Karpin report, ANTA's Griss Reference Group (1996) developed standards for the pre-publication FMI kit following wide industry consultation. This was piloted, producing the FMI Pearson Education package that was released in September 1998. The move to use a commercial publisher, rather than the AGPS, was a break with tradition. In many ways, the Australian initiative benefitted from monitoring British moves in introducing the Management Charter Initiative (MCI), which predated the FMI by more than five years (Blakeley, Benjamin & Quirk 1996). The FMI was constructed as a flexible package which led to nationally accredited certificates in management at levels 3, 4 and 5 of the Australian Standards Framework. The frontline management competency framework includes 11 modules that were greatly influenced by the Karpin Committee's recommendations. Each module has between three and five competency elements with qualifying performance criteria. Range indicators describe the appropriate workplace context and guidelines are given for evidence of collection.

The core modules are:

- Managing work priorities
- Leadership
- Managing people
- Managing operations
- Managing safety.

While the elective modules are:

- Building teams
- Managing information
- Managing customer service
- Continuous quality improvement
- Managing change and innovation
- Developing people.

There are a series of certifications within the FMI, namely:

- Certificate 3 in Frontline Management: any four core units and two elective units
- Certificate 4 in Frontline Management: five core units and three elective units
- Diploma in Frontline Management: all 11 units.

The Karpin report was subject to considerable criticism that focussed on the paradox that existed between research findings that indicated a deep management malaise and its less than radical proposals for change (Schaafsma 1996; Lamond 1997). However, there has been very limited critical review of the FMI. The depth of the consultative process and the long pilot activity enabled significant road-testing of the framework. Issues arising from the pilot study (ANTA 2000) are of specific interest to the present evaluation process, namely:

- underestimation of the need to understand the FMI processes and assessment
- small business training using a network approach to self-support learning
- assessment of skills already possessed a motivating issue for participants
- flexibility of a workplace based, self-paced technology appreciated
- successful strategic approaches linking the FMI to a wider development strategy
- development of customised assessment tools facilitating the process
- an FMI need to be integrated with current organisational systems

- ✧ critical role of developing coaches to support participants
- ✧ FMI provided a method of measuring individual achievement
- ✧ learning and literacy issues highlighted when FMI introduced.

As a learning technology, the FMI accommodates the current focus on merging learning and work, where training becomes learning, as work and learning are intertwined and interdependent (Field 1997; Billett 1993). The FMI offers a framework, based in an organisation and focussed on each enterprise's context.

The FMI is a framework that attempts to tackle two sets of complex and intensely explored relationships, where research knowledge is, nevertheless, limited. The first is the relationship between training activity and organisational culture and the imprecision of training as a strategic tool in driving organisational change (Smith 1997; Maglen & Hopkins 1998). The second is the set of complex interactions between participants, providers and organisational workplaces, where learning may involve acquiring knowledge developed by others or it can be an active interaction, often between competing power bases to develop new organisational practices (Billett 1996; Stevenson 1998). It is unclear either how FMI practice will be shaped by enterprises, or the effect these practices will subsequently have on organisations. The FMI is not a learning curriculum, but a framework open for interpretation.

Smith (C Smith 1999) viewed the second-generation CBMD approach inherent in the FMI as an attempt to combine uniform standards with a diversity of application. Frontline managers are at the sharp end of organisational policies that value diversity. It may be that the diversity of FMI application will enable practising managers to influence FMI processes, rather than be passive recipients of learning agendas set by senior managers. Is the FMI capable of meeting the dual goals of individual skillfulness and adaptability (Billett 1998)? Will the FMI practices that emerge support managers in generating developmental competence through interaction in their changing work situations (Mulcahy & James 1999; Ellstrom 1997; Khun 1997)?

However, placing the FMI learning process within the workplace, makes learning within managerial control and in managerial hands a worthwhile initiative (Garrick 1998). If this is true, the FMI framework may be developed into a type and style of learning practice which suits each organisation.

Research process and goals

McDonald et al. (1992), in a strong critique of VET research, are critical of evaluations that do not attempt to tackle the 'big issues'. In response, this study was designed to investigate the impact of a significant initiative and to focus on necessary future developments. However, McDonald (1999) also suggests that, despite the growth in VET evaluation, the process and the outcomes of such studies have failed to deliver more effective decision-making. Selby-Smith et al. (1998) suggest that some studies are like a rickety bridge, connecting problems with potential solutions. The purpose of this research is not to provide an historical account or justification for the FMI, but to suggest how to improve future practice. This study attempts to present key issues emerging from FMI practice and to offer some possible solutions.

In addition, the present study assumes it is unlikely there is a singular truth about the FMI, and discusses a diverse series of practices that illustrate many important issues about the FMI. Tierney (1999) suggests that searches for the truth should be resisted. Instead 'we need to talk of reducing the uncertainty in uncertainty in our knowledge about the contribution of a program … that it is indeed making a difference' (Mayne 1999, p.3).

Funnel and Van Manen capture the intentions of this research study design, noting respectively:

> *The purpose of evaluation is not to make a statement about absolute truth, but to lay the working assumptions of program staff on the table.* (Funnel 1997, p.6)

Is not to claim that, above others, there is one correct or superior mode of inquiry to ascertain the truth, other meaning of something. There is no true meaning, just as there is no uncontested truth.
(Van Manen 1997, p.346)

This study examines the diversity of the FMI as a resource for future development, rather than as a search for commonality. Consequently, the outcomes focus on the tensions influencing FMI practitioners, rather than on best practice.

Patton (1990) emphasises the political context of evaluation and associated ethical dilemmas, stating that every evaluation is a political act, often serving 'dominant commercial and ideological interests' (Reeves 1997). We are mindful that, as a research team, we are given the 'status of those charged with saying what counts as true' (Foucault 1980, p.131). This study used a multidisciplinary team, interpreting the complex interaction of the diverse interests of many FMI stakeholders to confront our own subjectivity. The aim of the present study is to shape the research process reflexively and transparently by engaging with FMI practice.

Conclusions

While this study focusses on the outcomes of the FMI, there can be little doubt that the workplace practices investigated often represent new approaches to learning and knowledge development. It was important for this study not just to value those practices in terms of the FMI's objectives, but to consider what they suggest about future actions. As Patton (1996, p.36) suggested, 'The most significant impact of the study ... that we really had not realised, was on the subsequent decisions on other programmes'.

The current complex and turbulent enterprise environment suggests a need for continual learning. The FMI has been constructed to be a significant catalyst in developing such an environment. The framework for this learning technology has been constructed by acknowledging the moves towards situated learning and distributed knowledge, offering a flexible resource that can be shaped to differing contexts, integrated with existing strategic practice and offering outcomes at individual and organisational levels. The paradox is that, because of this adaptable framework, the FMI is more likely to be shaped by organisations, rather than shape their practices. How diverse are the resulting practices and to what extent are the aspirations embedded within the FMI learning framework being realised? Do the practices of the FMI provide evidence that links a competency-based approach to management development with improvement in business effectiveness? These issues are examined by this study and outlined in this report.

Research methodology

Long is the way
And hard, that out of hell leads up to light. — *Paradise Lost* 1667, book 2, l.432

Background to the study

Genesis of the FMI

An understanding of the FMI's context is critical when developing a research design. The Karpin report (1995) suggested the pivotal role that management would play if Australian organisations were to compete in the global economy and recognised a need to improve managers' competence and to move managers from being 'cops' to 'coaches,' who help improve organisational performance. While the report expressed concern about management development in general, there was a specific concern about Australia's estimated 450 000 untrained frontline managers.

Conceptual framework

The Karpin report argued that the FMI would improve frontline managerial performance and contribute to improved organisational effectiveness that would be translated into improved business performance. This study is based on an examination of the strength and form of these relationships (shown in figure 2). An examination of organisational practices was secondary to examining individual and organisational outcomes.

The primary objective of the present study was to follow the causal chain suggested in the Karpin report and to investigate the relationships between the initiative and strategic intent, asking the following questions:

- ✧ Has the FMI initiative improved individual frontline managerial performance?
- ✧ Has this led to improvements in organisational performance?
- ✧ Has this been converted into business performance improvements?
- ✧ Has the adoption of the FMI been integrated with business strategy?

Constructing the research focus

Having considered the experiences of the British MCI studies and recent NCVER competency-based studies, this study undertook a linked series of research approaches that reflected the implied chain. This ensured that the primary objective of the project was an examination of the impact of the FMI.

Individual level

The research examined changes in individual performance and whether improved managerial competence was associated with an involvement in the FMI frontline.

Strategic level

The research examined whether a particular strategic approach was associated with improved organisational and business outcomes.

Does a particular strategic approach give better results and, if so, how?

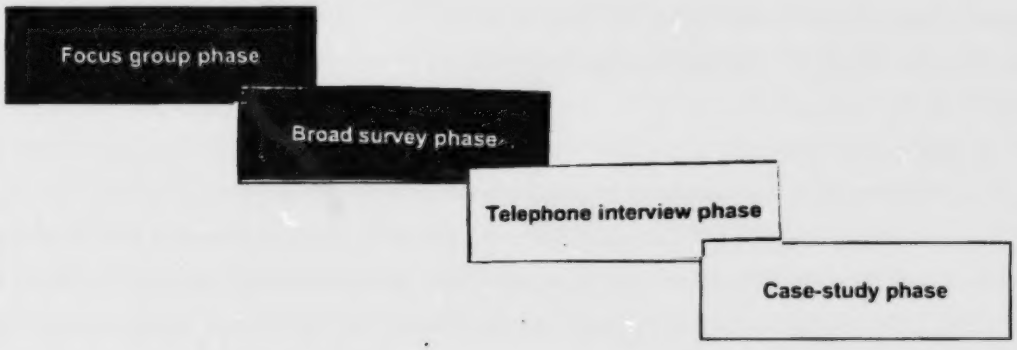
At a strategic level, the study examined the degree of strategic integration and the relationship between the FMI and business strategy. In addition, the research examined the contribution that a competency-based management development system had made to HRD processes within organisations, the visibility of the FMI and the extent to which the FMI has been customised when used.

Appendix 1 outlines the objectives, benefits and questions used to guide the choice of research instruments and develop the associated protocols as knowledge of FMI practice was gained during each phase of the research study.

Overview of the study method

To focus the study on the FMI's workplace impact, *multiple phases* were used, with formative and summative processes of analysis. These included focus groups, a mail survey, telephone interviews and targetted in-depth case studies (as shown in figure 3).

Figure 3: EFMI data-collection phases



Through focus groups and team reviews, the study initially explored the relationship between the FMI's framework and current practice. The survey examined current participation patterns and provided a comparative assessment of users' and non-users' strategic orientation. Data were subsequently collected through telephone and case-study interviews from workplaces using the FMI.

The research population and the funnelling design

The greatest strength of the FMI was also a hindrance to this research process. Quirk (1999) noted that the FMI was engineered to be invisible, so that it could be adopted and adapted, growing organically, rather than generically. Ironically, the lack of central control inhibits monitoring and evaluation, as there is no central or local list of organisations which have adopted the FMI.

The critical issue of case selection drove the research design. Each phase was constructed to generate data about the FMI and, at the same time, assist the selection of the final in-depth cases. The focus groups developed relationships with local FMI networks in each state. The random survey identified FMI user patterns while the telephone interviews identified FMI users and non-users who were willing participants for the case studies. Figure 4 identifies this funnelling approach.

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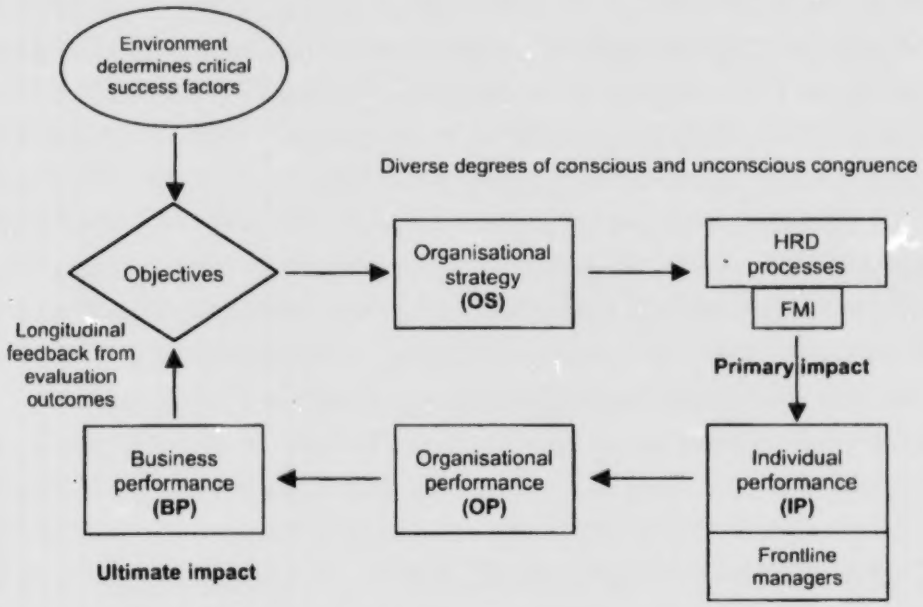
Figure 2: EFMI conceptual framework



Source: Barratt-Pugh and Sharp based on Leman (1994)

Are people better at their job and, if so, how?

At an individual level, the study examined individual improvement in the FMI's competencies. What are individuals doing that is different? The study examined the difference between expectations and the reality of competency-based management training experience and the relevance of the competencies to learning needs.

Organisational level

The research examined changes in workplace performance and whether involvement with the FMI was associated with improvements in that performance.

Is the organisation functioning more effectively and, if so, how?

At an organisational level, evidence of organisational improvement following FMI training was collected. What has changed in the workplace subsequent to the FMI? The study examined changes in organisational communication, workplace learning, innovation and culture. The study also examined training arrangements and policy processes in searching for improvements.

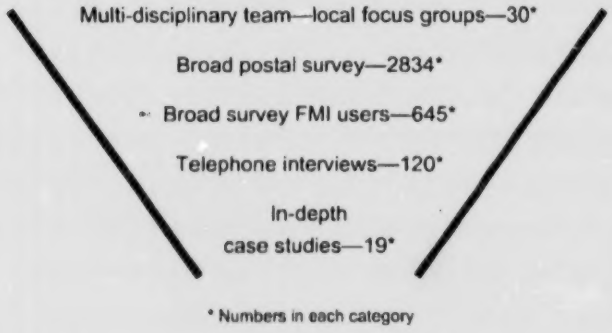
Business level

The research examined changes in business performance and whether involvement with the FMI was associated with improvements on the bottom line.

Is the business functioning more effectively and, if so, how?

At a business level, evidence of business improvement following FMI training was collected. How has business performance changed? The study examined the factors that appeared to facilitate or hinder the FMI in improving business performance.

Figure 4: EFMI funnel data-collection process



Study phases and instruments

While this section gives an outline of each phase of the study, appendices 2 to 5 contain details of each instrument and their underlying rationale.

The preparation phase

The composition and subsequent interaction of the research team was critical, as the research study focussed on VET, management and organisational culture. To tackle such a study required a broadly based and multidisciplinary research team aware of academic issues in the VET sector and the complex and emerging relationships between managerial learning and organisational effectiveness. The team members were as follows:

Prof. Geoffrey Soutar, University of Western Australia

Prof. Colin Sharp, Flinders University of South Australia

Prof. Catherine Smith, Murdoch University (formerly at the University of Newcastle)

Dr Dianne Mulcahy, University of Melbourne

Mr Llandis Barratt-Pugh, Edith Cowan University

Assoc. Prof. Trevor Williams, Queensland University of Technology

This team met at critical times throughout the project and debated through telephone conferences, confirming the study direction, protocols and emerging themes.

The focus group phase

The multidisciplinary team organised small FMI focus groups in each state to examine the context of current FMI practices and to develop a local network in readiness for subsequent research phases. The purpose of the initial focus groups was to ensure that practitioners had the opportunity to contribute to the research agenda.

The objectives of the focus groups for each state were:

- ✧ to assemble a group of practitioners with experience of FMI
- ✧ to be informed by diverse perspectives and narratives of the FMI
- ✧ to enable participants to agenda issues for the research project
- ✧ to gain an understanding of emerging FMI structures and patterns
- ✧ to build interest in the research study.

The seven focus groups included trainers, mentors, managers, participants and FMI administrators and addressed key questions about their engagement with the FMI in a semi-structured forum. Appendix 2 identifies the protocols for the focus groups.

The survey phase

The second phase of the study included two surveys that used the same questionnaire. The first was a random survey sent to 2800 organisations and enterprises. The second was a survey of 700 known purchasers of FMI texts. The survey was the first data-collection phase that provided an indication of the existing distribution pattern of the FMI, information about attitudes towards management training and indicated potential FMI participant enterprises. Objectives of the survey include providing:

- ✧ a view of the impact, uptake and patterns of adoption of FMI
- ✧ data to contrast and compare FMI users with non-users
- ✧ broad details of the FMI impact at individual, organisational and business levels.

Survey respondents were obtained from a Dunn and Bradstreet database. The returns provided sufficient responses for a broad analysis. However, there were too few users to compare FMI users and non-users. A second survey was therefore undertaken from an FMI material purchasers' database provided by Pearson Education. The questionnaire format is shown in appendix 3.

Telephone interview phase

This research phase included 120 telephone interviews conducted in five states. It was a cross-sectional, investigative survey with human resources and training managers. Companies of various sizes were selected from different industry sectors in metropolitan, regional, rural and remote areas. The telephone interviews were structured to contact 75 FMI users, 25 non-users who were aware of the FMI, and 25 non-users who were unaware of the FMI.

Objectives of the telephone interviews were to:

- ✧ locate suitable FMI users for case studies
- ✧ learn more about patterns, diversity, and barriers of FMI adoption
- ✧ learn more about alternatives to the Frontline Management Initiative.

The telephone interviews focussed on:

- ✧ how and why the FMI was implemented
- ✧ how the development and delivery of the training program was shaped by users.

The telephone interview protocol was constructed from the project research questions. The core of the protocol is shown in appendix 4.

The case-study phase

The purpose of the case studies was to provide deep and rich data for qualitative analysis to probe and illuminate the FMI's impact and processes. This research phase consisted of 19 case studies conducted in five states and included nearly 100 interviews to gather evidence relating to:

- ✧ the FMI's impact at an individual, organisational and business levels
- ✧ the relationship between emerging FMI processes and organisational strategy
- ✧ the diversity of FMI practices
- ✧ the diversity of individual participant perspectives.

The case-study evidence focussed on in-depth interviews, although it also included record scanning and observation. Each case consisted of interviews with training managers, FMI participants, their managers and subordinates in clusters of no less than five. Most of the in-depth interviews were recorded on site and transcribed. In a few cases of more limited access, field notes and extended

telephone interviews were used. Organisations reviewed the final case studies, which are included in volume 2 of this report which can be found on the NCVER website www.ncver.edu.au. Issues which had emerged from the previous phases of the research were explored during the case-study phase, including:

- ✧ the collection of business effectiveness evidence from senior manager
- ✧ the need to separate organisation and business into discrete categories
- ✧ a semi-structured approach to enable practitioner narratives
- ✧ locating data on the complexity of competing and supporting initiatives.

Details of these issues and their associated decisions are provided in appendix 5, which includes the protocols and the associated rationale for this research phase.

Operationalising the design

This section describes how critical operational changes to the methodology contributed to the practices of the research study.

Redefining research objectives

The original research proposal was based on a prior British evaluation of a similar initiative that had specified five hypotheses. The fifth hypothesis compared a competency-based training approach to traditional training approaches. This required considerable data collection of case studies not using the FMI. This aspect was removed from the present study, with NCVER agreement, for two reasons; firstly, considerable extra resources would have been required to investigate non-FMI training and, secondly, there had been several problems with the UK study method.

Redefining survey targets

The intention of the study was to begin with a survey of FMI practitioners. However, existing databases focussed on providers and not users, or did not focus on enterprises using the FMI. The decision was taken to use a commercial database for the survey and to move to a random approach, with the added advantage of mapping the FMI and management cultures Australia wide. There were, however, too few FMI user respondents for a comparative analysis, so a decision was made to target known FMI users with a second survey.

Balancing evidence collection

Due to saturation and redundancy, a decision was made to curtail the telephone interviews and collect further case studies. One-hundred-and-twenty telephone interviews were conducted rather than the 125 that were initially intended. Nineteen case studies were undertaken, rather than the sixteen originally intended.

The complexity of case-study selection

The selection dilemma was between access to and diversity of case-study sites, given the project's timetable and available resources. The study encountered a more immature FMI landscape than was expected, with most enterprises in their first year of FMI use, apart from pilot sites and early users. As a result, the case-study phase was delayed until the end of 2000, to enable FMI activity to mature, and the decision was made to include case studies that represented a wide range of FMI developmental approaches. The criteria for the selection of the case studies are shown in appendix 1 of volume 2 of this report.

The final protocols for the case studies were developed to gain multiple perspectives of the FMI and included interviews with training managers, managers and participants. A decision was made to add subordinates of FMI participants to case-study interviews so that wider evidence could be gathered.

Issues of reliability and validity

The research team used inclusive and recursive processes of instrument design to generate specific protocols for each phase of the project and to enhance the reliability of the data collected. Definition of terms, such as 'organisation' and 'business', were facilitated by team meetings, telephone conferences and central project management. Extensive protocols for the case studies were developed and are outlined in appendix 5.

Triangulation of the data was planned within the research design so the study used different data-collection methods, types of subjects and protocols to increase the validity of the evidence gathered.

Study limitations

This study made a conscious decision not to gather data from non-FMI users in its later phases. There could be some value in a comparative study, although a comparison is notoriously difficult to achieve unless a paired sample is used. In addition, the present study focussed on impact and made process a secondary consideration. Subsequent research focussing on the processes used by benchmark FMI operations might have benefits.

Sampling FMI practice is always going to be a challenge as there is no central registration and the FMI seems to be largely invisible. Choices had to be made when selecting enterprises as cases. While the sites selected seemed to represent a cross-section of industry and FMI practice, organisations with more inclusive cultures that believed they had made advances in workplace learning, more commonly offered access. Barriers to adoption were restricted to the third phase of the research. This is an area where further research might be useful.

FMI users are an immature group, led by pilot sites and some early starters. While this research was timely in assessing the initial thrust of FMI development and providing recommendations for future change, our understanding of the FMI's impact on business performance and organisational development may be improved by later study with more mature FMI enterprises. The present study provides useful base-line data for such a study.

Findings from the focus groups

What reinforcement we may gain from hope;
If not resolution from despair. *Paradise Lost* 1667, book 1, l.90

Introduction—frameworks and reality

The focus groups were used in the initial period of the study to develop local networks for the project (Janesick 1994). Their aim was to ensure that the direction of the project was not just driven by the 'kit's' guidelines or the FMI's 'theory'. Through the focus groups, practitioners influenced the research agenda at the start of the project. Focus groups were held in five states and provided rich data and stimulation to the participants and the researchers, although they were complex to arrange and transcribe (Fontana & Frey 1994). However, the focus groups ensured that the researchers were familiar with FMI practices and focussed the project's direction (Morgan 1997a, 1997b).

Focus group objectives

Practitioners with a variety of FMI experiences were included, but attracting enterprise-based practitioners proved difficult. The groups provide evidence of diverse FMI experiences and processes that highlighted similar concerns. In most cases, these relationships were instrumental in developing the local FMI networks for the study. Table 1 shows the types of participants who participated in the focus groups.

Table 1: Focus group participants

Focus group participants—5 states	Numbers
FMI administrators	3
FMI training providers	14
FMI enterprise managers	13
FMI participants	3
Total participants	**33**

Focus group agenda and responses

The same basic question format was used in each focus group, with a preliminary explanation of the purpose and stages of the enterprise Frontline Manager Initiative (EFMI) process. Due to the composition and focus of the groups, the focus was on the use of the FMI and not on barriers to FMI adoption. What follows represents comments from the various focus groups.

Why get involved with the FMI?

Managers turn to the FMI as a vehicle for cultural change and to develop a systematic approach to developing identified frontline management skill needs. Enterprises choose the FMI as a learning technology because it has benefits over local and traditional arrangements.

Flexible ... generic ... transportable ... It isn't time-locked.

In more remote situations and where employees have diverse learning experiences, this has significant advantages.

Access to learning experiences based on their own work without their having to leave home and spend periods away from work and family ... It enables them to upskill in areas where they have shortfalls of knowledge and expertise but does not required them to backtrack over management areas where they are already effective and efficient.

Where the FMI is part of company strategy, there are also strategic moves that can lock the FMI into organisational systems.

The FMI groupings form the building blocks of the senior management program, which is linked to the organisation's performance review system.

What patterns of FMI adoption do you see?

The initial emphasis has been to profile each participant against the FMI's 11 units, planning a learning direction and to involve other managers in selection and reflection. Enthusiastic practitioners indicate that other users and providers might follow more traditional training course approaches. However, their emphasis is on workplace-based, flexible learning processes and using other managers as an important resource.

The company trained the user organisation's senior staff as coach–mentors and facilitated workshops for FMI candidates.

Such learning structures involve more than just the FMI participants.

That's why I think we chose FMI and this method for introducing it with having a coach, because as well as developing an individual's competencies we wanted to develop relationships between individuals and, in particular, their coaches who were generally their managers.

There are concerns that such a strategy and the resources needed are likely to be beyond small enterprises and that, in many cases, there is no clear divide between FMI users and non-users.

What difference is the FMI making to individual frontline managers?

Responses are extremely positive and focus on the development of managerial identity, where a technical identity had previously existed.

FLMs were good task managers ... but not people managers ... FMI has opened this up.

Participants report a real increase in confidence, based on an increasing understanding of their roles.

FMI has led to greater self-realisation as individuals discover, through compiling their evidence profiles.

The benefits are in more open communication and a shared understanding, but they can be frustrated if the organisation's climate does not support such a culture.

FMI candidates are more confident, more open to suggestion, and more likely to make right decisions. FMI has been linked to literacy programs because organisational restructuring has forced people into roles they never expected.

However, the effectiveness of the FMI learning process is as diverse as its learners.

We've got some people who have picked it up and have run really well with the FMI and [are] continuing to use techniques and ways of doing things and they'll develop themselves but then there's others who maybe lapse back a bit or just stay at that level and haven't further developed.

Understanding the work role enables a more effective framing of organisational relationships and interrelationships.

The recognition of their skills via FMI increases people's motivation, commitment, empowerment, and wanting to do more for the organisation: managers are looking at our work and recognising what we're doing.

What difference is it making to their organisation?

In many cases, participants talk about a change in organisational culture, in which the FMI is a significant tool.

It's been the lubricant … like for the changes we have had to make.

The benefits are in more effective planning and communication.

Team leaders make harder and more decisions than they used to, are a lot more consultative with it.

A long-term advantage is the contribution to human resource processes.

I just think it's general things … the culture of the place, you know I was talking to a HR manager a few days ago, typically two … or three years ago when we had an opening for a team leader we might have one or two apply and sometimes you might have to tap someone on the shoulder and now we have about half a dozen.

The introduction of the FMI, in many cases, leads to changes in attitude towards learning that extend well beyond the target group.

FMI has led to the involvement/interest of senior managers too, cascading training upwards.

Is it delivering tangible business benefits and, if so, what are they?

The participants see the FMI as an effective workplace development program that creates business improvement.

[I'd] say there have been productivity improvements due to more things being done better.

FMI users indicate the difficulty of providing evidence of organisational benefits being converted into improved business effectiveness. However, some significant evidence is provided.

It's difficult to correlate directly any improvements that might be attributed to the FMI … I can find instances of things which have saved the company money with regard to say continuous improvement projects which have come out of, I'd say directly out of FMI.

How could the FMI be improved?

There is considerable comment about the FMI being what you make it, and that managers' participation is a key determinant of FMI quality. The participants' suggestion is that the more the FMI became an enterprise-managed process, the greater the benefits in terms of improved performance.

Senior managers must embrace the philosophy first, and have a passion for the competencies themselves. When that's in place, achievements follow.

Within the processes of the FMI there are concerns about assessment validity and requests for more learning materials.

There are 'cowboys' who move in and out of the industry who would simply provide information as per the 'book.' This affects the value of the assessment.

Participants suggest that ingrained attitudes towards traditional learning methods prevent the wider acceptance of the FMI as a legitimate qualification.

[There is] antagonism from academics, and from managers who have acquired more academic credentials, to the competency-based approach.

Participants suggest that promotion to the private sector and smaller enterprises is necessary if the FMI is to achieve greater penetration.

Subsidise FMI to improve the uptake in the private sector.

Conclusion

Participants are enthusiastic and positive about the FMI. Their stories suggest the FMI is a flexible, diversely interpreted, workplace-owned program, with different practices in each organisation. Often the FMI is part of a strategy to change culture and build organisational learning capability. Usually it is a response to inadequate managerial skills and training processes. Participants feel the FMI is developing manager identity, and increases confidence, improving relationships, planning and communication. Business benefits are difficult to 'prove' but mature users reported definable improvements in business performance attributable, at least in part, to FMI.

Practitioners suggest the unique and emerging configurations of the FMI learning process are governed by the support and commitment found in each enterprise. New patterns of learning practice are often based on complex relationships that develop between FMI co-ordinators, participants, trainers, managers and coach or mentors. Comments indicate that some FMI activity is characterised by prescribed actions and involvement, where assessment and accreditation drives the initiative and is seen as the sole goal and outcome. By contrast, where processes engage individuals and other managers in reflective learning, the organisation benefits through improved individual competence and a focus on organisational development.

The initial picture is that the FMI is a tool for managerial learning where work-based learning may improve organisational performance. Subsequent research phases are used to determine how many of these perceptions are shared, contested and distributed across a range of organisations.

Findings from the surveys

Hereafter, when they come to model heaven
And calculate the stars, how will they wield
The mighty frame, how build, unbuild, contrive.

Paradise Lost 1667, book 8, l.76

National survey

The initial survey distributed 2834 questionnaires and obtained more than 300 useable responses within three categories (FMI users, non-users aware of the FMI, and non-users not aware of the FMI). There was, however, a lower response from FMI users than had been anticipated. These initial returns were sufficient for an analysis of national patterns but not for a comparison between the three categories of respondents. A second mail-out was made to known FMI users with these returns providing sufficient data to undertake a comparative analysis.

Combined surveys

Table 2 shows the breakdown of returns from the combined surveys, indicating total responses from the three category groups.

Table 2: Combined survey respondents

	Forms	RTS	Refused	Returned	A	B	C
Mail-out	3468	115	14				
Numbers reaching intended destination	3339			408	229	85	98
Percentages	96.2	3.3	.403	12.2	6.80	1.73	2.93
Return %				100.0	56.12	20.80	24.00

RTS = Returned to sender
A = Non-FMI user
B = Non-user (aware of the FMI)
C = FMI user

Mapping the national landscape

The survey maps a landscape in which only a third of the responding organisations were aware of the FMI. However, nearly half of the organisations aware of the FMI have implemented the initiative, while most of the remaining organisations express a commitment to a subsequent pilot or a desire to raise the level of organisational interest.

It should be remembered that the data were collected early in 2000 and that the evidence suggests considerable growth in the number of FMI enterprises and the number of participants in existing schemes. There is a greater awareness of the FMI in larger and medium-sized companies due to their specialist networks. There are no significant geographical variations.

It is evident that many of the current FMI user group are in a pilot or start-up stage. The survey indicates that a significant group has been influenced by the FMI competencies, incorporating them in their development systems.

We use the competencies as a general framework for our team leader development.

There is little doubt that many organisations have 'borrowed' the FMI competencies and concepts, integrating them in in-house customised systems and using parts of the FMI or the framework as a basis for training courses. Statistical inferences about the current depth of FMI adoption nationally are made in the analysis section, based on the survey data and using findings from the subsequent research phases. The questionnaire and a tabulation of data from the first survey are provided in appendices 3 and 6 respectively.

An overview

Users of FMI are more likely to come from organisations with more than 100 employees, with more than 21 frontline managers and with annual turnovers of more than $100m. On the other hand, those who are unaware of FMI are more likely to come from small organisations with less than 50 employees, 10 or fewer frontline managers and less than $50m annual turnover (see appendix 6, tables Q1, Q2 and Q3, pp.111–12). A larger proportion of users operate in rural areas (see appendix 6, table Q6, p.113). The use of the FMI in rural and remote areas indicates a strong uptake by mining and forestry companies and primary industry adopting the FMI. However, the results do not suggest significant differences in the geographical distribution of FMI user companies around Australia or between industry sectors (see tables Q4 & Q5, pp.112–13).

The majority of enterprises spend 2% or less of their revenue on training and development (T&D) (see table Q14, p.117). There is a significant correlation between training quality and performance in the last two years (see tables Q8 & Q11, p.115). The higher the training quality, the higher is the performance rating. This validated the expectation that T&D expenditure is linked to subsequent business performance.

Responses from non-users indicate that some non-FMI users have alternative programs in place. However, there were many more who indicated that structured management development programs were not on their business agenda.

I didn't look at it (FMI) too closely—we have some strong programs in existence and do not need to look elsewhere at this point.

A comparison between the groups

The most significant results are in the responses to training and development activity (see table Q11, p.115). All groups had high mean ratings. However, there are two significant differences. Users have a higher mean rating for having T&D of consistent quality, while the 'aware but don't use' group have a higher mean rating for T&D done at reasonable cost. These attitudes towards training may reflect subsequent and differing responses to the FMI.

Responses to the organisational environment are mixed, with scores ranging from 3.5 to 5.8 (see table Q12, p.116). FMI users tend to rate aspects lower than did the 'not aware, don't use' and 'aware but don't use' groups. Of the 13 differences reported, the user group rates three aspects significantly higher ('use competence-based training in work skills programs'; 'use competence-based training in management development programs' and 'have very good training and development programs'). Responses to the management culture questions are generally high (see table Q13, p.117). However, the FMI user group rates the four statements where there were significant differences lower than the other groups. It may be that the user group, that emphasises training, has better internal needs analysis and feedback systems, providing a broader perception of

culture that mediates management's views. Further, the majority of users are from larger organisations, where there is greater opportunity for reporting cultural dissonance.

FMI users have more staff involved in T&D, with 58% of users reporting that 60% or more of their staff were involved in T&D, compared to 32% for the 'not aware, don't use' group and 49% for 'aware, don't use' group (see table Q15, p.117).

FMI users

The initial survey suggests that at March 2000, around 12% of Australian businesses are implementing the FMI, often after 'attending an FMI information session conducted by an ITAB'. The majority of FMI users use the FMI competencies and the training program (see table Q19, p.119). However, 11% are not using the competencies, while 21% are not using the 'training program', which suggests this group is using their own schemes or adapting FMI programs. It is evident that there is no hard edge between users and non-users as customised FMI programs are difficult to distinguish from organisations which are borrowing parts of the FMI framework and creating a unique in-house system. Some organisations may be reluctant to report this activity.

We don't use FMI directly but have incorporated some concepts into our own systems.

FMI users gave a strong indication that a well-resourced strategic approach is necessary for successful FMI programs. Eighty-seven per cent of users are involved in FMI as part of their management development strategy, 72% as part of their HR development strategy, 61% as part of their organisational development or change strategy and 64% have linked the FMI to their business strategy (see table Q19, p.119).

FMI competencies can lead to long-term individual growth (see table Q20, p.119). However, achieving such growth requires dedicated resources and time, which are precious investments in the business environment. Users are cautiously optimistic about improvements in frontline management performance across most criteria. The highest rating is for the management of safety in the workplace and the lowest is for the capability to capitalise on change and innovation. However, there is evidence of the FMI's impact at an individual and organisational level.

Recognition and development of self-esteem amongst participants; focus of personnel on management issues; change management; cultural change within organisation.

It is also evident that, in March 2000, many respondents were unable to assess any FMI impact at a business level:

Have only just begun. Training will begin in 2001.

Can probably comment on the above in 6 months time.

Conclusion

The survey provides information about the pattern of FMI adoption and evidence of a positive relationship between investments in training and business performance. The FMI has limited penetration, appears to be in a growth mode and is more common in larger businesses. A comparison between users and non-users does not suggest user enterprises were 'different' as cultural entities or businesses.

The use of the FMI is linked to improved business performance in broad terms. However, specific evidence of the FMI's impact was limited to individual and organisational change. This research phase confirms the diversity of FMI practice and positive outcomes emerging from the focus groups. There is considerable congruence between the evidence from this phase of the research and the initial focus group data. While diverse in content, the data provide no contrary evidence.

Finally, the surveys suggested three main areas for more detailed emphasis and investigation in the next research study phase. The first was a need to explore the barriers to FMI adoption that had prevented so many enterprises from implementing the FMI. The second was to examine diverse accounts of the FMI's impact, rather then simple statistical responses. The third was to examine the pattern of FMI practices and outcomes over a broad cross-section of industry groupings.

Findings from telephone interviews

That we may change for heaven, this mournful gloom
For that celestial light.

Paradise Lost 1667, book 1, 1.242

Introduction

In the next phase of the project, 120 managers with responsibility for training and people development were interviewed by telephone. The protocols for this phase and the database for potential subjects were developed from the information gathered in previous research phases. While this phase of the research probed the processes, issues and outcomes of the FMI, its major purpose was to examine barriers to FMI adoption and alternative strategies used for frontline management development.

The telephone interviews were undertaken with the three category groups identified in previous phases, with 75 interviews with FMI users, 25 interviews with non-FMI users who were aware of the FMI and 20 interviews with non-FMI users who were unaware of the FMI. The interviews were split between the five states. Appendix 7 lists the range of telephone interview respondents.

Overview

Responses from the FMI user group suggested the FMI had exerted positive effects in their organisations, with only 6% indicating dissatisfaction. In each of these cases, the negative experience was linked to inadequate, or inappropriate, training and learning processes within the organisation and not to the FMI framework itself.

Promised a lot but hasn't delivered. [The person in charge]... issued a booklet and put it in people's pigeonholes ... [this] person thought that it would show the management skills of the trainees.

Such isolated comments are in sharp contrast to the almost evangelical responses from enthusiastic training managers who were co-ordinating the FMI.

In many cases, respondents resisted commenting on organisational and business outcomes as it is 'too soon to tell,' with pilot groups only months into the FMI.

How was the decision made to use the FMI?

Managers report there is a need for management training and they often link this need to wider organisational development intentions.

We had to do something, people were just screaming out for management development.

The flexibility of the FMI was often responsible for the decision to use CBMD.

It's the perfect thing because the old days of fixed training doesn't fit well with me and how does a fixed thing suit everyone.

What types of FMI are developing?

What is most evident from the FMI user responses is the diversity of practice generated. This diversity was evident in learning processes, relationships, and patterns of practice.

> *We have facilitators who were put in place as part of our best practice program and some individuals will interact with them and use them as a sort of pseudo mentor ... There are some people who like to work with others and develop a bit of a support network ... We play it as it comes so if people need a bit of support or would like some assistance or want to work with others, we try and facilitate that, but we leave that up to the individuals, their particular learning and their particular way of wanting to operate. If we can support them we will.*

The selection criteria for FMI participants are often diverse and transparent but in some cases, remain a managerial prerogative.

> *Senior management actually tag people that they believed would be appropriate for it.*

There are poor reactions to some FMI courses with directed class-based sessions. Learners often respond negatively as they 'already know and do all this'. By contrast, responses to learner-led workplace groups and facilitation were universally positive. Moving from courses to workplace-based activity involves building in relevance to the specific context.

> *So after the first face to face, we had a good talk to the training provider, swapped it around and made sure that whatever we were going to present had a lot of relevance in the workplace.*

In many cases the moves towards more informal learning relationships are assisted by the introduction of parallel coaching and mentoring training and support networks.

> *A variety of learning strategies will be used including mentors, coaches and online support with no one strategy being used in isolation.*

Most FMI users felt that mentor and coaching support are critical to workplace-based FMI activity and caution that such activities require significant attention.

> *FMI is going to require an ongoing commitment from mentors, assessors and others within.*

What makes the FMI effective?

FMI users indicate a relationship exists between FMI effectiveness and diverse learning practices. Conversely, course-based FMI practices are viewed less positively. In particular, the development of mentoring and coaching leads to more effective FMI programs, 'no mentors ... you're sunk', 'its critical ... you need coaches'.

There is also a strong relationship between FMI effectiveness and projects linked to business activity, particularly in medium-sized enterprises. Projects are valued as they provide a real context for learning and directly contribute to business development.

Effectiveness of FMI for individuals and organisations

While many organisations, due to limited experience with the FMI, resist commenting on business outcomes, nearly all of the user enterprises felt that their FMI program is positive for individuals and the organisation.

The first FMI benefit was perceived to be individual development, as the FMI 'identified potential' and 'uncovered shining lights'. There is particular benefit in participants analysing and understanding their own role so they 'saw how they should be working' and become 'more aware of their role'. They 'see jobs differently' and were 'shown aspects of themselves' and 'new perceptions of managers and managing' as they 'find out what others do'. Training managers comment that 'accountability and responsibility,' 'maturity ... confidence building' gave 'more autonomy,' 'leadership skills,' and in one case a 'whole new set of skills'. This is particularly evident in changes

of attitudes to learning as participants 'saw learning differently,' took 'ownership of training and learning processes' and 'competed to get on the program and take up roles,' 'relishing the opportunity.'

This redefinition of managing has other benefits when the 'aim was to standardise management practices throughout the business'. As a result of undertaking FMI programs, managers were more aware of 'what's expected of a manager'. These improvements in individual skills led to better communication.

In most organisations, frontline manager behaviour changes, with an increase in innovative behaviour and a greater responsiveness to change, as participants will 'jump to try new things', be prepared to 'think outside the box' and 'take new ideas'. There was 'more motivation to change', a capability to implement new processes', to make 'the most out of others', and 'managers became lateral thinkers.'

The majority of mature users said that the FMI supports their strategic objectives and indicate a shift in organisational culture, even if business benefits are difficult to see.

> *It's changing the managers and it's also changing the corporate culture. The managers are actually starting to manage ... but it's not. What's happening is that a lot of the management work that was done, historically was supervision, not management.*

Has the FMI been effective for the business?

The focus on 'impact' is tentative in this phase of the study but a number of respondents give firm responses, indicating that the FMI is producing a 'real' business impact. Others view the FMI at least partially responsible for improved business performance, and there are no negative reports. For some, it was still too early to determine the FMI's business performance impact.

> *Productivity has been increased two and a half times and the organisation has got in the black over the two-year period of the FMI program ... the FMI has a significant claim on this improvement.*
>
> *$25K off the bottom line ... we opened new stores.*

Issues with FMI

However, within these positive experiences there are still critical comments about the FMI. In most cases managers were concerned about the investment necessary to drive the initiative, seeing it as 'time-intensive', 'time-consuming'. While the FMI is practical and workplace-based, it adds complexity to a manager's role.

> *It's not a quick fix. I see it as a way of helping to change the culture of the organisation, but that's going to be a two-to-three-year process, not a six-month process.*

The program may disadvantage 'other' management and be used as a strategic ploy.

> *It can also be confronting to more senior people who have not had that level of training or assessment, so that they may feel intimidated by the people working for them that now have a bunch of skills and knowledge that they don't necessarily have.*

The main criticism is about the practices devised, not the FMI framework itself.

> *I've got two issues: one is that if it had been targetted correctly at the beginning, then yes, I think we could have got a bigger return on investment, because it's cost the organisation a lot of money to put these people through ... I think it's more about how we outsourced the whole lot, and expected the whole lot to be managed by an external provider and I think there needs to be more ownership inside the organisation about who's managing what part of this overall process.*

Assessment monitoring is a primary concern. Managers detailed 'assessment rip-offs', where it is, 'possible to pass and still be the same'. There are polarised views about recognising current

competence. One group see it as 'rife with statutory declaration ... people signing off and not knowing what they are doing ... [it] is a farce'. There are fears expressed that such practices 'could sink FMI' because 'staff hear of easier ways'.

The credibility of the program ... if RTOs are just tick and flicking people.

Several respondents suggest that getting the most out of the FMI is about customising and adapting it to your own unique organisational culture.

They're trying to coach and influence others so they can make efficiency changes and certainly the managers were quite supportive of it ... You've got to tailor the program to suit your own culture.

Several enterprises indicate that the FMI needs to be more widely known and respected, linking the FMI to higher education programs was an incentive.

... was to present us with a letter from a university that said you could get x amount of points towards an undergraduate degree by completing the [FMI] diploma.

Enterprises not using FMI

There were some accounts of systematic approaches to management development used by non-FMI enterprises in which local relationships were effective.

The nature of our alliance is such that you can do that and you need to do a couple more subjects and they are basically accredited towards a Graduate Certificate in Management.

These were isolated examples, and most organisations used unstructured programs based on 'hit and miss', 'play by ear', 'training by opportunity', 'two days a year'.

It is done on an ad hoc basis and is instigated by the individual manager.

Managers are dissatisfied with ineffective unstructured approaches, 'there's just induction ... the odd TAFE course'; 'we survive by poaching'. The need for more structured training is clear to respondents who recognise that '[you have] got to be into the communications skills stuff', and be 'putting new concepts into practice'.

People are all at different levels ... they need more coaching and mentoring.

Managers who are aware of the FMI and are not involved cite, 'concern about workload', 'no time or no money' as reasons. 'When we have a slack period there are no funds ... when we have work on ... the contracts drive the time'. Smaller organisations are concerned about the logistics of formalising training.

In terms of the whole approach I would say it would, it went a bit too far at that stage to implement for just two people.

The most significant findings from organisations that are not using the FMI but are aware of the FMI, is their desire in most cases to build a more systematic approach to management development and to 'try to build a case for FMI'. There is a strong indication that these organisations are planning, or would like FMI involvement.

Trying to build a case for FMI, because seniors [management, were] ... into education not competency approach ... maybe FMI soon.

The FMI's landscape is much broader than portrayed and there is no hard boundary between users and non-users. Many organisations and providers customised and adapted the competencies for in-house models which, unfortunately, market confidentiality prevents them from declaring. Many organisations are 'using a system based on the FMI'.

We have launched our own Enterprise Supervision Training Package ... the FMI is used for benchmarking competencies in our program.

Conclusion

This phase was based on managers' perceptions of the FMI. Perceptions were often provided by those responsible for the adoption, promotion and implementation of the FMI and provide a specific perspective within each organisation. Respondents are managing FMI practice but, in many instances, not the participants. This phase provides confirmation of the evidence about FMI practices, outcomes and issues that emerged from the previous research phases. It also adds the perspectives of enterprises that have not adopted, or are unaware of the FMI.

FMI users are enthusiastic and positive about the FMI. The major themes of diversity, FMI satisfaction, soft skills development and role clarity are confirmed. Interviews emphasised that the FMI resulted in new learning approaches within the organisation with a balance between accreditation and personal learning. The role of other managers in supporting these processes is underlined. Organisational interaction was, in most cases, the beneficiary of these changes. There was a number of business performance benefits reported by users who have been involved with the FMI for a longer period. However, it was evident that examining the FMI's 'impact' at a business level is a complex research problem. The majority of FMI users are in start-up and pilot mode and their initiative are unlikely to mature before 2002.

Barriers to FMI adoption are the traditional arguments that have been used to justify any lack of investment in training or learning processes. In general, those who are not adopting the FMI are not taking a structured approach to training and learning at a management level. This was especially true for smaller business. It was evident that many non-users would like to adopt the FMI and want supportive data that can be used to substantiate such a move within their organisation. In a few cases, structured local programs and borrowed FMI competencies are being used to create customised in-house programs. These are generally developed through an alliance with universities or TAFE commercial arms.

Finally, the telephone interviews suggest three areas that should be examined in more detail in the case-study phase: examining the extent to which other participants in the FMI process share these training managers' perceptions; ensuring that the case studies provide evidence of organisational and business impact; and monitoring changes in business performance to collect evidence about the relationship between the FMI's role in contributing to business improvement.

Findings from the case studies

Who overcomes
By force, hath overcome but half his foe. — *Paradise Lost* 1667, book 1, l.648

The case studies focus on the impact of the FMI, examining what has changed and the processes involved in that change. The focus of the case studies on FMI users and organisations was designed to obtain diverse evidence about the FMI's impact and the strength of the 'causal' chain developed within the present study. The 19 case studies included interviews with managers, training and people development managers, FMI participants and their team workers. Each full case-study report can be found in the accompanying volume.

Selection of case studies

The selection dilemma involved a choice between access and diversity within the research period and with available resources. In most cases, the research team gained access to desired case-study sites through the telephone interviews. However, a number of substitute sites were used when access was not possible. This phase used a multiple case design with a focussed sample. Cases were selected to maximise the diversity of organisations and the diversity of FMI provision. Organisational size and location were considered, as was knowledge of existing FMI practices. Primary importance was placed on investigating a range of enterprise types and achieving a balance between private and public sector organisations. To preserve the anonymity of the participating organisations, each case-study site has been given a pseudonym, indicating its industry classification.

Selection of case studies: Industry classification and size

Table 3 shows a breakdown of the case studies into industry classifications and size.

Table 3: Case studies by industry and size

Agriculture, forestry and fishing	M	Transport and storage	L, 2 x M
Mining	L	Communication services	L
Manufacturing	2 x M	Finance and insurance	L
Electricity, gas and water supply	L	Property and business services	-
Construction	-	Education	2 x L
Wholesale trade	L	Health and community services	L, S
Retail trade	2 x L	Cultural and recreation services	-
Accommodation, cafes and restaurants	-	Public service	L, L

Note: L = large
M = medium
S = small

Table 4 shows the breakdown of the case studies by organisational sector and size.

Table 4: Case studies by sector and size

Category	Organisations	Size
Public industrial	Railco	L
	Portco	M
	Travelco	M
Public service	Healthco	L
	Communityco	L
	Trainco	L
	Communicationco	L
	Environco	L
	Educo	L
Private industrial	Forestco	M
	Mineco	L
	Elecengco	M
	Buildco	L
	Primeco	L
	Autopartco	M
Private service	Storeco	L
	Careco	S
	Utilco	L
	Finco	L

Note: L = large
M = medium
S = small

Tables 5a and 5b show the breakdown of case studies into geographic locations and states.

Table 5a: Case studies by location

	Location				
	Urban	Urban-rural	Rural	Remote	All locations
Number of cases	11	3	3	1	1

Table 5b: Case studies by state

	State				
	NSW	Qld	WA	Vic	SA
Number of cases	3	3	5	4	4

Table 6 indicates the size of case-study organisations by number of business sites.

Table 6: Case studies by business sites

	Business sites					
	0–5	5–10	10–50	50–100	100–500	4000+
Cases	8	5	1	2	2	1

Outcomes from case studies

Why are you involved with the FMI?

Organisations indicated that their reason for FMI involvement was because previous unstructured approaches had been of dubious benefit.

> *Ad hoc, provided by lots of different people … very differently tackled by [the companies] and it tended to be the very good and the very bad who got access to it … it didn't have any rigour to the programs at all … certification was based on attendance.*

Organisations have different strategic orientations when undertaking the FMI. But respondents, often in hindsight, expressed a desire to change organisational culture.

> *There was obviously a need to provide a significant change in the leadership style. So we changed our focus from supervision … to actually providing leadership.*

The focus on frontline managers is taken because of the 'soft skill vacuum' that exists after valuing technical skills, whether in manual and knowledge-based organisations.

> *Like every other organisation in Australia we employ managers not for their managerial expertise and experience but for their technical competence. So being a manager is new to them, sometimes they probably think they are good managers, but they really do need those specific managerial skills. I still think it is good for experienced managers.*

Managers choose the FMI for flexibility, standards, and for workplace learning.

> *We were looking for a process that could act as an umbrella for the whole organisation.*

For participants, the motivation was initially about securing a management identity. However, it often provided significant learning for the person beyond the role.

How are you developing the FMI's processes?

Some organisations begin with FMI pilots, some use a cascade strategy, while others fully immerse themselves in FMI. In larger organisations local managers may make the decision to include the FMI in their strategy and budget.

> *We're different in that we can't say: 'This is a Storeco policy that we're going down Frontline Management'. We can only develop a program and market it, support it, and try and get the business units to take it up.*

The mechanisms for selecting participants mirror existing organisational culture. The learning processes that develop are a diverse mixture of workshops, individual self-paced learning and coaching. Managers of the learning process are often involved in a battle to find the right relationship between the needs of individual participants and program form.

> *The trainers generally deliver FMI on a one-on-one basis. Trainer–assessors visit participants in their workplace and work through the units from prepared evidence guides. It usually takes about three visits before finalising a unit.*

For participants, it is often a new world of learning as traditional modes are less evident. For some, the responsibility of learning is an onerous burden.

> *Quite heavy, demanding and time-consuming.*

A strong relationship exists between active FMI management and positive outcomes.

> *TAFE is providing the assessment but we are providing the training … we have a high involvement in the actual way FMI is undertaken.*

Nearly all of the cases emphasised a need to provide a supporting structure of coaches, mentors and, sometimes, resources via intranet support.

We spent six months with the section leaders and managers whose people were going to be in the program … series of workshops … introducing coaching skills … language … leadership conversation … we put them through an action learning process.

What is different about frontline manager performance since FMI?

Despite the diversity of perspectives within the various organisations, the case studies present evidence of positive changes in management skills and management practices from senior managers, participants and their team workers.

It's made me think, rather than just going with a gut feeling, about the theory behind, dealing with people whether it is from a motivational perspective, or delegation perspective, just generally how people or even from a training perspective, how you get the best out of people, rather than just life experience … you've got some theory to fall back on … So it's giving me a relatively restricted series of tools to use on my daily functioning … as I begin to experiment over time … what actually works and what doesn't will come clearer to me.

There is some evidence that the changes involve extending management identity, the development of a systems perspective and improved communication through the development of a common language and practices.

I've found [our communication and ability to work as a team] a lot better now. It brought the management team closer together.

Having developed a broader vision and used softer skills, the emerging managerial style is more participative, and focussed on learning and innovation.

The other thing we have done I guess is also getting people to look for learning from reflection from something that has happened. So, 'I did this, what did I learn from that?'

Evangelical responses to the initiative are not isolated. When the FMI does not achieve positive outcomes, it is the organisational processes, not the FMI which is held responsible.

As far as what I got out of it, I found it extremely beneficial. I enjoyed doing it … confidence, my own personal motivation, my own … I feel like I can do anything you know. I was inspired, I was mentally challenged, I found it extremely stimulating. I think it made me so much (more) aware of the importance of a leader, but more importantly the fact that, you know, a leader is not a man on his own or woman on her own. Your team makes you what you are, and vice versa.

Changes are often attributed to a variety of organisational initiatives, not just the FMI.

It is difficult to assess how much change has come about from FMI and how much through internal management. They are all part of the one web and FMI is certainly a structured way in which to push the concepts of modern management.

What is different about the organisation since FMI?

Most significant is an improvement in managing, with frontline managers owning planning processes, budgets and customers.

What I think it [FMI] has changed is the acceptance of a business approach to what we do. An understanding of how crucial the business component is to our survival.

This enables responsibility to be taken closer to the customer interface.

Supervisors given higher status, for example, they can hand out $25 taxi vouchers to customer if the train is late. In the past they were unwilling to do this because of the expense. Now they understand the cost to the business of losing a customer if they DON'T do it. So they have to apply risk assessment and manage the situation.

Managing better is seen as managing together. Management communication is more vibrant and supportive.

Our higher-level management [trained in FMI] never used to stop and talk. Now they are all approachable. I notice a definite difference between the supervisors who have completed FMI and those who haven't.

The managerial environment often moves towards being more positive about change.

They put a business case to their supervisor proposing that there would be significant savings and improved customer services if they had a van built commercially.

Learning is also seen as a more important part of the organisational culture.

There is better alignment between training and skills for competencies relevant for supervisor and manager positions. We actually managed to get HR or people-management issues on the agenda.

The respondents were clear that the FMI was largely responsible for these changes.

FMI was one of the, probably the most tangible tool.

What is different about the business since FMI?

It is difficult for respondents to determine the FMI's contribution to business benefits. However, in nearly all cases, positive improvements in business activity are reported during the last two years, sometimes based on more effective survival strategies in depressed markets.

We've come from an organisation that didn't have a very good name and wasn't a real good business, to being one of the best Workco companies in the world. We seem to be getting more competitive.

Has the FMI has been effective?

There is ample positive evidence from all levels that most *participating managers* are more effective.

I'm more aware of the difference between being a leader and a manager.

Instead of just looking at a certain something in a box, I now look at a wider picture.

This impact at an individual level transfers into organisational benefits. Interactions improve because of the FMI, creating more effective organisational relationships.

Being able to network, it's a community thing within the organisation.

These more effective relationships between more effective managers lead to the development of more effective systems and the better management of those systems. The value of people skills is clear to individuals and the organisation.

Because it's been the tool that's implemented most of the [business] processes.

The recognition of an improvement in people management skills leads to frontline managers being included in decision-making. This broadens management's capability to tackle change, with frontline managers as an integral part of that strategy.

I think we have an environment ... here starting ... that will enable some risk-taking, more freedom to do more creative things.

Once the door of greater inclusion in management is opened, it presents a continual opportunity for development.

[It has given a] clear direction for the development of people ... For team leaders who are keen to get ahead it is 'fantastic' because they can see what they have to do ... work their way to get there.

In a few of the organisations there are reports of ineffective training processes which limited organisational impact. Managers suggest that traditional inputs, often with de-contextualised materials, distanced such learning from workplace realities.

We have some doubts about the degree of effectiveness. There were concerns about how the training was conducted towards the end. Trainer at the end was quite authoritarian in style (a 'blokey bloke'), saying: 'This is the right way' and lost the workplace focus.

There are mixed reactions to business benefits. Mature FMI enterprises report quantifiable productivity benefits, others are unable 'to say in dollar terms'.

We are doing some jobs 10 to 20 thousand dollars cheaper than what we were doing years ago.

There is evidence that productivity improvements also provide reductions in bottom-line costs, helping to fuel business growth.

Staff turnover [is less], because of the education about how to treat your staff and counsel your staff. So it has got to benefit the organisation.

In some cases, the projects associated with the FMI directly contribute toward business improvement.

The main [component of FMI] which [links] return on investment is the big project they [FMI participants] do which picks up all units ... a number of those ... have some quite good return on investment.

Less mature FMI organisations saw changes more at an individual and organisational level and were waiting for business improvements.

Too early to say ... improvements in individuals areas, rather than in the business.

Most organisations which experienced business improvement feel the FMI is significantly linked to the business benefits being achieved. However, the FMI was often only one of several initiatives that were held responsible.

There are a number of factors and FMI is definitely one of those factors.

Only isolated voices suggested that business benefits were not occurring in their organisations.

The people here in the main didn't embrace it and make it happen.

Has FMI been linked to the way the business wants to go in the future, to strategy?

FMI users report a good fit between the FMI and business strategy. The FMI is seen as a suitable tool to drive cultural change and management skill development.

And identifying key competencies and those types of things, and they are linked to business strategy, and that will give us an opportunity to link learning to our competency strategy.

The FMI is often linked to other HR strategies and it was felt that there were benefits from linking a bundle of HR strategies.

Things like managing poor performance ... links in very much with FMI ... the performance management system and recruitment selection system ... they're linked from the top of the organisation down the bottom.

What was the greatest impact from the FMI?

The evidence points towards a strong impact in extending managerial identity and creating a more inclusive management culture more open to change.

It just gave that sort of regular interaction between people. It opened up a lot of people's eyes as to the capabilities of other people.

Underlying this impact is the inclusion of learning on personal and organisational agendas and the improvement in people management skills.

[The FMI has shown] that management development is important provided that managers do need development, that technical expertise does not equal managerial expertise.

The FMI makes this impact by workplace integration, focussing on participants' job processes, and placing the learning in a business performance context.

FMI is actually reaching every aspect of the day-to-day job. It's not just go to a course, come home and forget about it ... So it is about 'how' rather than 'what.'

Restrictive management cultures and a lack of experience or support in workplace management development programs are thought to limit the FMI's impact.

There are many other variables that can negate the success of FMI. One problem is that an individual may complete the safety unit, for example, and go back to the workplace knowing what they should be doing, but their manager says 'Forget all that. Get onto the real job.' The FMI process has the potential to raise issues of incongruence between local and whole of organisation practices and culture.

What additional impact would you have liked from the FMI?

Most organisations recommend customisation and active management of the FMI.

The main issue is participant resistance and gaining their commitment to the whole process ... The difference we will take from the first pilot site to the other sites is that we are going to ask people to volunteer to be part of it.

However, this can only be achieved when there is wide manager support for the FMI.

You've got to take an interest in them and make sure that their direct supervisors are talking about it with them and looking at things they can do to make use of these new skills.

There was almost unanimous evidence that the time-consuming complexity of the assessment process, and reports of the variation of assessment standards, were the major disadvantages of the FMI. The FMI has contributed to this 'textualisation' of the management environment.

That's the problem, if they have never been involved in competency assessment before which most of them won't have, understanding what it is that they need to write to be competent can be quite difficult.

Some managers suggest that more central support is needed in managing the FMI.

The FMI, being a relatively new approach in Australia, means there is not a lot of experience or support to tap into.

What if there had been no FMI?

No organisation thought that they would have been better off without the FMI.

We'd still be fighting against every bit of change that comes in. FMI helps to adapt to change.

A lot more people biting the dust ... struggling to cope.

Some managers suggested that the real business benefit of the FMI is in creating a culture of change and reducing the costs associated with resistance.

For frontline management, we'd gone through ... an organisational change without any of that training ... we had massive staff management attrition. We could not keep our managers they left on mass and there was huge instability, huge stress going through the organisation. In that change period of about three years, and it seems whether coincidental or not but it seems since FMI was brought in everything stabilised.

Conclusion

There is considerable consistency between the evidence in this phase, and previous phases of the study. The data gathered, while diverse in both subject sources and content, provide little significant contrary evidence. The case studies suggest that the previous positive view of the FMI is not an exclusive perception of training managers, glossed with a training manager's spin to protect the budget or the political stance of HRD. The case studies confirm the training managers' perceptions that the FMI was impacting on organisational and business performance.

This phase of the research is based on multiple perspectives obtained from nineteen organisations. In the few cases where the FMI is not considered to be successful, organisational processes where blamed. There is evidence that, where the FMI is successful, it impacts at individual and organisational levels. Increased managerial confidence and a broadened context has led to a greater integration of managers and managing. While practices are diverse, strategic projects and supported self-paced activity were seen as providing the most successful balance.

Most of the case-study organisations have improved performance during the FMI period. These changes were attributed in most cases to the FMI and related initiatives. Nobody thought that the FMI had reduced performance or suggested that there were more effective forms of management development. More mature FMI programs have evidence of improved business productivity, usually supported by organisational economies and efficiencies. For some FMI users it is still too early to measure business benefits. More successful users see the FMI as an effective tool to drive strategy, especially when it can be integrated with other HR strategies.

The success of the FMI is the focus on workplace issues, and in creating a systems' view of managing the FMI in the enterprise. Users recommend customisation of the program and the development of coaching and mentoring support to ensure benefits are obtained from the FMI. Complex evidence and assessment concerns were seen as the major problems with the FMI.

In broad terms, the case studies supply confirming evidence that FMI users are gaining significant benefits from the FMI. The extent of the benefits depends on the processes that have evolved, managerial support, and the length of time the initiative has been active within an organisation.

Analysis and emerging themes

Oft-times nothing profits more
Than self esteem, grounded on just right
Well managed.

Paradise Lost 1667, book 8, 1.571

FMI impact and practice

This section discusses the evidence collected during the study. It emphasises the diversity encountered when exploring the FMI, and draws some clear conclusions about the impact the FMI is having on individuals and businesses. It also suggests the contribution the FMI is making towards wider change patterns in learning processes and in the training market. The discussion focusses on the primary research questions; the impact of the FMI at the individual, organisational, and business levels and the degree of strategic alignment.

Analysis methodology and congruence of phases

While each phase of the data-collection process has contributed valuable evidence, the case studies are pivotal.

The importance of specific data was not determined by numerical occurrence but was moderated by people's perceptions of its critical importance within an enterprise culture. Weight was ascribed by examining frequency of occurrence, the credibility or importance of the occurrence to the subjects and the uniqueness of the occurrence, given the researchers' knowledge of training, managerial learning and competency-based development.

Billett and Cooper (1997) note the complexity of investigating the area of training impact with the 'unintended or unanticipated outcomes' and the difficulty of 'quarantining' the outcomes of training causing problems for a cost–benefit analysis. McDonald (1995) emphasises the absence of models leading from learning to organisational returns, but cautions that the most easily measurable impact and benefits might not be those of greatest long-term value.

The case-study data were also used to categorise FMI enterprises, in their approach to and the impact of the FMI on the enterprise. Predetermined categories and criteria were developed for this purpose (as shown in appendix 8). The key components of these data were categorised in tabular form and analysed so that a comparative analysis could be made. Finally, the data were used to produce draft narrative case studies, including participants' quotes that related to the research questions (see accompanying volume).

Primary impact

Out of confusion, order and understanding emerge … The concurrent processes of data collection and analysis … what is going on finally becomes clearer and more obvious. (Morse 1996)

Individual impact

While individual benefit from the FMI was not universal, where they were supported, participants felt they had changed significantly. Benefits began as a growth in identity and confidence, leading to the use of focussed soft skills, a more analytical approach and improvements in attitudes to change. Such growth was more likely when the FMI was undertaken in a developmental mode, rather than when it was focussed on accreditation.

Managers expressed greater confidence in performing in a management role. The FMI gave them a skill development framework, a recognition of their skills, an opportunity to network and specific development in time management, planning and financial management. The additional awareness and validation of their performance, visibly identified by a nationally accredited qualification, gave participants a visible profile and improved self-direction. The introduction of the FMI took managers from being technically valued to being people-skill valued. However, as Environco demonstrates, such a change in perception is based on a growing partnership with other managers.

> *Having achieved the Frontline Management Diploma, it changed a lot of people's attitude to what I did ... In general terms, it's changed the committee attitude because it's now obvious to everyone because someone externally has recognised that I am a manager and that's what I am, just like my title has been changed recently. Nothing else has changed but the perception is quite different.*

Motivation for the FMI varies with participants' unique environments; however, the goal of a qualification and the practical nature of the FMI activity were generally recognised as crucial.

> *[FMI involves] my day-to-day work ... gathering ... and assessing evidence of what you're actually doing every day.*

More developmentally oriented FMI models involve the active management of the FMI to suit the organisation's culture, including other managers in support roles, and creating learning ownership. Less developmentally oriented models do not offer the same learning incentives and managerial identity outcomes.

> *Some did FMI just because they were told to comply because it may affect their pay level and they didn't benefit.*

Buildco chose to value people skills above technical skills. This was the first step in creating an environment in which managers value and gather new sets of skills. Where only technical skills are valued, the focus on people issues is minimised. FMI managers, as at Forestco, are acquiring a new 'toolbox'.

> *We allow them to use the tools they have learned through FMI in a real life situation and what I am trying to do is give them permission to get out there and practise those things they have learned.*

No specific areas of competence were thought to be most relevant. However, participants indicated that improved communication skills should be embedded in the FMI learning process. The acquisition of communication tools and frameworks enabled managers to experiment.

> *I'm able to sit back and listen to everybody ... have open dialogue and let everybody have their say and don't force [my] opinions on people ... come to a consensus ... that's been a big benefit to me.*

The increasingly textualised learning environment was a significant learning challenge for many participants who did not have tertiary learning experiences. The time and effort required while participating in the FMI process was seen as onerous ('a big job for our participants').

> *The advantage of groups is that they encourage others to participate and trigger each other's memory. The disadvantage is the problem of the literacy levels where they feel threatened and may not want to open up.*

As managers developed their attitudes to managing, this impacted on immediate work colleagues. More strategic and developmental FMI models accelerated this change that valued reflection, inclusion and learning.

In Utilco, Healthco, Portco and Elecengco there was evidence of real self-reflective management development. Models in which management was portrayed in power or control terms were questioned as FMI participants recognised the complexity, difficulty and diversity of managing. Several managers argued that a primary benefit of the FMI program had been to curtail 'mismanagement'.

> *It's made me think, rather than just going with a gut feeling, about the theory behind, dealing with people whether it from a motivational perspective, or delegation perspective, just generally how people or even from a training perspective, how you get the best out of people, rather than just life experience, you've got some theory to fall back on.*

In some cases, the FMI confirmed women's competencies, legitimising and including females as managers. The FMI often led to a recognition and questioning of 'blokey cultures' in management and an examination of the validity of previous management styles.

> *FMI has been responsible for the ability of the organisation to introduce and drive change through their supervisors ... understanding the business.*
>
> *Understanding what is currently going on in the organisation ... the strategic management stuff just wouldn't have happened.*

In Utilco and Environco, the outcome of changing attitudes was a more questioning approach to learning and managing.

> *In terms of other changes, I guess people talking, people asking questions and asking others questions about their own behaviour. Taking a bit more of a: 'Why don't I just ask people that work for me about that' approach.*

In organisations that introduced a more developmentally oriented FMI approach, impact went beyond the work-self with some participants expressing extremely enthusiastic support for FMI.

> *I enjoyed doing it ... confidence, my own personal motivation, my own, ... I feel like I can do anything you know. I was inspired, I was mentally challenged, I found it extremely stimulating.*

Organisational impact

Developing a workplace-based FMI program leads to organisational outcomes as it networks learners and managers. While the initial results may be to reduce mismanagement by improving organisational dialogue, organisations that support such approaches can achieve long-term growth in organisational learning.

While trial and feedback characterise many initial ventures into what is a different learning experience for many, it appears that a tolerance of ambiguity is necessary to form culturally relevant patterns. Both symbolic and substantive senior management support is critical to the success of FMI in developing more effective organisational systems and structures. The scaffolding of the FMI practices provides a springboard for a cultural change. Attempts to externalise FMI training may lead to training transfer failure.

The impact of the FMI on organisational effectiveness was evident in the case studies. While effects were diverse and unique to each organisation, four general themes were identified. From the FMI's workplace processes, learning communities emerge leading to improvements in teamwork and communication, increasing organisational learning. There is a greater focus on business needs, and organisational development is enhanced. In developmentally oriented models, the FMI is a catalyst for organisational change.

For Railco, Primeco and Environco the first organisational impact was putting development on the agenda. As can be seen in the Finco and Elecengco cases, learning ownership is critical, but this requires senior management commitment.

We actually managed to get HR or people management issues on the agenda, it was being discussed and how it worked, not just about a performance management project they had to do … it become a core part of business, not just HR stuff.

The initial commitment determines whether the FMI will be oriented towards accreditation or development. Forestco, Autopartco and Communicationco show how commitment to learning processes may need to be re-visited to construct a more appropriate FMI model. Primeco found it was necessary to have organisational commitment and a focus on development, not accreditation, to generate an FMI model with organisational impact.

Support services are required when implementing this program, for the participants, the program consultant–co-ordinator, the mentors/coaches etc. … Managers across all divisions interact and learn together. The exclusion of RCC [recognition of current competence] is a … contributing factor to this end.

The inclusion of other managers as mentors, coaches, steering group members, or supporting participants was critical and determined the extent to which the FMI process became developmentally oriented. Such inclusion widened the network and legitimised workplace learning activity. Associated managers were introduced to workplace learning, found the strengths of their colleagues and developed better soft skills themselves.

The improvement in organisational communication and interaction, based on managerial learning activity, led to new ways of learning. Where these new, often informal, modes were supported and legitimised, developmental infrastructure formed. The FMI was seen as a significant catalyst in the development of learning processes, through the introduction of workplace-based learning activity.

So we went from a situation where probably we would have had to have brought in people from outside the organisation, advertised externally, to having a pool of people who were looking and capable to be able to do different jobs … Trainco benefitted enormously from having a number of people who were able to do that.

Processes that began with FMI managers learning, migrated towards organisational learning. FMI managers in Storeco, Careco, Portco, Communicationco and Forestco had the improved confidence and better communication skills needed to improve teamwork.

There has been an increase in teamwork, better interrelatedness between layers of management and it has provided individual managers with the skills they need to manage.

For managers at Educo and Forestco, more people thought about the business and contributed to its direction, taking responsibility for achieving objectives.

What I think it [FMI] has changed is the acceptance of a business approach to what we do. An understanding of how crucial the business component is to our survival … We are more pro-active now, so that we can assess our customers' needs instead of waiting for a complaint.

This responsibility had a double impact. In Storeco there was evidence that managers were more responsive to the big issues and, in Utilco, it was apparent that senior managers had more time to think strategically.

Up-line managers have developed coaching skills and gained workload rationalisations meaning increased involvement in strategic activity rather than day-to-day issues.

Perhaps the most significant impact the FMI had at an organisational level was improving its ability to adapt, change and develop. Primeco and Buildco provided evidence of the FMI acting as a bridge during amalgamation, while Utilco, which survived a significant downsizing with minimal disruption, argued that the FMI was the oil in the process.

Putting the culture out into the workplace, by having lower-level and middle-level managers on FMI puts them touch with the direction the company is going—to lay a foundation for roll-out of new initiatives.

Training or people development managers are undertaking this sea change in workplace learning and organisational development. They are often the invisible orchestrators of change who can be isolated, with limited investment budgets and FMI support networks.

Business impact

There can be little doubt there will be more evidence of increased business performance due, at least in part to the FMI, by the time this report is released. While there are some mature FMI users, most users are in the early stages, including initial trial and feedback, of a very different learning technology taking learning into the workplace. The mature FMI users have identified reduced costs or improved productivity, which they feel are related, in part, to their FMI activities. In nearly all such cases managers describe the FMI as a contributor to growth. FMI's learning activities are thought to contribute positively where FMI projects are strategically linked to the organisation. The cases provide considerable support for the existence of a relationship between FMI participants' learning and business performance improvement. The benefits seem most likely to be felt by FMI users who invest in developmentally oriented FMI models.

The maturity of an FMI program is critical when examining business impact as this evidence lies at the end of the chain. While the present study attempted to include longer-established FMI sites, it was inevitable that more than half of the cases involved enterprises who were in an early FMI stage and not yet focussed on examining return on investment.

> *Too early to say ... improvements in individuals areas rather than in the business.*

It is surprising that sites such as Environco and Finco have evidence of a business impact after only a year of operation, perhaps because of their developmentally oriented approach. Longer-term FMI users, such as Communicationco, Railco, Trainco, Railco and Educo, can cite business improvements and feel the FMI has significantly contributed to their business performance.

While time is a significant factor, investment in a developmentally oriented model also affects the FMI's impact on business performance. Railco and Careco felt that developmentally oriented models can operate well in diverse cultures and remote areas, in small business with owner–operators and franchises. It is the investment and intent of the FMI program that determines business impact, rather than location, business type or size.

No specific areas of competence were linked to business impact, however FMI projects were seen to produce visible immediate impact, helping develop political support for the FMI program.

> *There's that awareness ... There was a good example in the library ... [the manager] put in practice ... as part of this continuous improvement from one of the units was actually showing a process that was far more efficient in the library and that was her little project to demonstrate the competence.*

The case studies suggest that, while the FMI seems to have had an impact on business performance, this impact is difficult to measure, as FMI is usually one of a group of strategies in an organisation. Yet, as at Elecengco, many interviewees were clear that the FMI contributed positively to business performance, despite measurement and attribution difficulties. The FMI was seen to reduce costs and improve delivery, quality or sales. Storeco and Educo suggested how the FMI provided a platform for business improvement.

> *I do see a change [in sales, service, customer satisfaction] and I know I wouldn't have got the results I have if not for [FMI] helping.*

Like Finco and Educo, most of the organisations examined reported growth or better success than competitors. Even in recent FMI starters like Environco, some managers quoted faster delivery, improved quality and increased customer satisfaction because of the FMI.

> *However, there have been some increases in customer satisfaction and revenue generated from the commercial base, coupled with less errors reported in financial aspects. Although a cost analysis has not been done, Educo expects to provide another positive return at the end of the year.*

The Storeco, Healthco and Portco cases show how better internal retention and promotion processes reduced recruitment and orientation costs. At Utilco, industrial unrest during downsizing was settled through improved management, saving grievances, mediation and industrial court representation costs. At Environco, better management reduced errors in one team and absenteeism in another.

> *Absentees have dropped. We don't have people staying at home because of their home problems, and we don't have people staying away from work because they can't cope with them there.*

It seems there is a chain linking individual development to business improvement and growing evidence of a link between developmentally oriented FMI models and improved business performance.

Strategic intent

The majority of the case studies provide favourable comments, indicating that the FMI was supporting business strategy. The relationship between strategy and performance development initiatives was reciprocal and recursive. Enterprises that had a strategic intention for the FMI made favourable comments about it as a tool or catalyst of change. For some organisations where the initial focus was more about initiating a structured approach to management development, cultural change was seen as an added bonus, often retrospectively. In many cases, the FMI benefitted from being part of a bundle of HR strategies that impacted on business performance. FMI projects that were strategically targetted had a more immediate business impact and provided the FMI with greater legitimacy within the organisation.

There were diverse ways of using the FMI as a strategic tool. Organisational intentions varied from wanting qualified managers to improving management skills, changing a management culture to creating organisational learning activity and assisting organisational development. Strategic intent was associated with initiative effectiveness, as the greater the strategic intent, the more developmentally oriented was subsequent FMI practice.

> *FMI is the biggest of the programs ... or tactics ... associated ... with that strategic thrust of developing managerial leadership ... [FMI] is explicitly linked.*

However, such commitment is only achieved when there is active management that integrates organisational and HRD direction, as with Educo and Environco.

> *We put forward a very brief analysis of a series of options ... we researched the FMI on other sites ... linked the FMI competencies to what we had already stated in our mission.*

The strong strategic direction at Trainco, Environco, and Finco was the result of considerable pre-planning and negotiation to use the FMI as an organisational development instrument. Successful FMI requires organisational acceptance of the FMI as more than a competency-based management development system. The FMI thrives in environments where there is a stable HRD infrastructure and an innovative and inspirational HRD manager who can facilitate such a vision.

Where there was evidence of strong strategic intent for the FMI, it was usually a component of a wider strategic thrust and linked to other initiatives that contributed to organisational effectiveness. As in Portco, Utilco and Elecengco, individual performance development/management systems and recruitment processes were evident in their strategic HR bundles.

In longer-serving sites, it appeared that the FMI should to be tied into organisational structures if it is to survive change. If this is not done through clear strategic intent, it needs to be a retrospective priority. Educo is an example of how FMI projects can be tailored in this way.

Strategic intent has to be operationalised. Railco, Buildco and Environco show the importance of tailoring the FMI to an enterprise's culture and the role management must play in this process. Finco, Healthco and Elecengco highlight the critical aspects of building internal networks, the pivotal role of mentors and coaches, and high FMI visibility with interconnections within an

organisation. The few ineffective FMI programs (ratio 1:15 in the case studies and telephone interviews) cited their own processes as the critical inadequacy.

FMI projects were seen as a critical strategic lever that embedded the FMI within an organisation, as was recognised retrospectively by Educo. Immediate payback is evidenced when managers and participants jointly choose the scope and direction of FMI projects. Participants can work on an activity that is directly relevant and can impact positively, as happened at Trainco and Primeco.

> *The main [component] which will be better at linking return on investment is the big project they do which picks up all units ... a number of those will have some good return on investment.*

Mature FMI activity appears to have kickback effect, contributing to, reinforcing and adapting business strategy. FMI participants understand strategic direction better, focussing on positive contributions to changing strategic direction.

From Storeco emerged an organisational strategy for the FMI itself. At Careco and Healthco the emergence of training champions strengthened the organisations' strategies. At Buildco, FMI graduates investigated articulation to university qualifications and instigated a review of recruitment policies.

> *If you want to be a branch manager, then you will need to have your Certificate 4 in FMI or be demonstrating that you're working towards it.*

A strategic approach to the FMI led to positive organisational and business outcomes. The level of strategic intent also impacted on the symbolic and substantive support provided to the FMI program. High levels of strategic intent were associated with more developmentally oriented models, which in turn were associated with more effective business outcomes.

Overview of primary impact

The case studies suggested that the FMI impacted at each level of the chain and having a strategic orientation seemed to be of critical importance. There was congruence between the evidence collected in each phase of the research and, while diverse in content, there was little significant contrary evidence to the main emerging themes. At an individual level, the case studies suggested that most participants had improved. It was also apparent that organisational effectiveness improved in many areas, while some improvement in business performance was also attributed to the FMI.

There seemed to be a strong relationship between individual, organisational and business performance improvement and these relationships appeared to depend on two main factors. Firstly, they were influenced by the maturity of the FMI within an enterprise. As a long-term organisational development strategy, the FMI took time to improve business performance. Secondly, they were influenced by the developmental orientation of the FMI. An active management of the FMI, wider management involvement and diverse internal learning processes and support structure led to faster and more positive outcomes. There was less impact evident for smaller and less mature FMI users and those organisations that used externalised or accreditation FMI models.

Secondary impact

A secondary focus of the research related to pedagogic issues, the national development and impact of the FMI and its effect on the wider VET system. Each of these issues illuminated the mechanisms underlying primary impact factors or provided valuable information about the broader workplace and enterprise performance improvement. The study provided evidence that enables a valuable analysis of the impact of FMI practices from a number of perspectives.

Impact of the FMI as a national development initiative

National dispersion pattern

The study sampled organisations with more than 1600 FMI participants. Data gathered suggested the likely number of FMI participants for a given number of enterprise employees. In addition, insights into the FMI's adoption pattern were received from over 300 organisations. Using ABS Australian workforce statistics, a prediction can be made as to the national pattern of FMI adoption. Is seems likely that more than 18 000 participants were following FMI learning processes in early 2000. By the time of this report's publication, the figure will be over 25 000.

Further, a significant group was being influenced by the FMI competencies and incorporating them into their own development systems. There were no boundries between users and non-users. Often these organisations seemed apprehensive about declaring such use for copyright reasons, adding to the invisibility of the initiative. It is likely that more than 1000 enterprises have used FMI competencies to guide their structured frontline managerial learning. It is likely that more than 25 000 participants have benefitted from the FMI framework and programs to date.

The impact of the FMI extends far greater than participants. Many other managers have played active mentor and coaching roles, and steered or resourced the program. While developmentally oriented models had greater manager involvement than accreditation models, it was typical that each participant had support from two or three other managers. This suggests that almost 100 000 managers have had an association with the FMI and been exposed to soft skills development, workplace learning and reflective management practices.

Extending patterns of adoption

Significant numbers of more senior managers have been involved in constructing supportive learning structures and being advocates for cultural change. However, in many organisations where the FMI does not exist, it appears senior managers may not recognise or value the link between an investment in the FMI and business performance. Organisations that were not aware of the FMI reported sporadic, unsystematic approaches to training and management development. The lack of knowledge about the FMI in the management/training/HR community is a concern with more than 30% of managers in the national survey being unaware of the FMI. This may represent a lack of interest or action on HRD/HR issues in many enterprises and may restrict FMI outcomes to already fertile ground. There were concerns that FMI marketing initiatives may have been too small to gain training manager or management attention.

The national survey found a strong correlation between business investment in training and business effectiveness, confirming other current studies. The survey also suggested that those organisations building a case for FMI needed supporting material and current case-study evidence. Extending the FMI's penetration involved reaching training and senior managers with positive information about the benefits of the FMI and the relationship between training and business performance. The invisibility of the FMI that enables it to adapt to fit most organisations is also an Achilles' heel. The diversity that has been developed makes the program less visible, with multiple arrangements between providers and enterprises. Several training managers in the case studies indicated that their isolation would be bridged by the development of an FMI network which provided information about systems, practices and impact nationwide.

The FMI is, to some extent, a prisoner of large and medium-sized business, although some small business users had obtained positive results. Small business appeared to be excluded from mainstream FMI activity because of economies of scale, network contacts, time investment and traditional training barriers.

Impact of the FMI on organisational equity, diversity and quality

Organisational equity

The study suggests that the FMI can be adapted to different industry cultures, locations and sizes. However, typical organisational difficulties experienced by small and remote businesses will be no different with the FMI. One of the most significant issues emerging from the study was the use of the FMI as a culture-change tool and an organisation-development agent. The wide management involvement and the development of new HRD infrastructure found at Environco are not possible in a small business. However, in a small business, contact between an FMI manager and the rest of the workforce will be more immediate and based on informal patterns. Perhaps, as with larger businesses, the real issue is an organisation's commitment to change and willingness to invest in that change process. Small business clusters can provide network capabilities for isolated small-to-medium business (SME) managers.

What impact is the FMI having on those who are not yet managers? The FMI, like all competence-based systems is based on workplace reflection and real activity. Project work, job sampling and job rotation are only practical as part of the FMI development processes. It is an employee's hierarchical level that often determines their certification aims. This presents a problem for those wishing to be prepared for management. The FMI is not a framework for isolated, decontextualised learning about management. Reflective learning process and active trialling of skills are intrinsic components of the program. This disadvantages those who would like to take on managerial roles. On the periphery of this study are also those who may be left in charge or who are waiting for an opportunity. At the moment, the option is to wait until a post is secured and then begin FMI training or to take detached units, sometimes as distance learning linked to a practical application. Some potential participants have suggested that a level two qualification recognising an intermittent supervision role could be beneficial. There is already distance learning FMI activity that may need more appropriate guidelines, as the aims are different from the original intentions of the FMI.

There was no evidence that the FMI contributed to gender bias in management. On the contrary, most considered the FMI to be a suitable platform for pursuing equity objectives.

In many cases, privileging frontline managers with extensive training and special selection processes had a positive impact on the target group. However, the study found middle managers who felt undervalued because of this emphasis. There was a negative effect when such people were not included in the FMI process. In two of the case studies this resulted in grievances. Participant selection appeared to be most effective where it was a superior–subordinate application. The process of selection has great benefits for the selected group but disadvantaged those with less far-sighted managers or poor relationships with their supervisors. The nature of the initial pilot activity that this study reviewed was experimental in most organisations whose first steps are liable to contain some inequities.

FMI diversity

The FMI has adapted to a variety of locations and industry types by developing diverse practices within enterprises and even within departments or sites. Individuals have, in many cases, been given considerable responsibility for the design and monitoring of their own learning. Where the FMI processes moved from a controlled training mode to individual self-paced learning with a wider option of group activities, the learning process was enriched and produced greater benefits. The development of such structures may enable the FMI to survive organisational dynasties. At Environco and Educo, diversity was associated with positive outcomes.

There was also diversity in the FMI's benefits. Grounded in real work, the FMI is flexible and can easily adapt for individuals and organisations. FMI processes enable managers to develop management identity and create greater social cohesion within the management group. In control management terminology, the FMI can empower and expand corporate citizenship. The case studies suggest there is a more organic development process with growth for individuals and

an improvement in culture for the organisation. These developments can be a powerful motivational tool.

Quality control and assessment

The issue of FMI quality was evident from two perspectives. Where FMI effectiveness was questioned, case-study organisations took responsibility noting that it was their own FMI practices at fault. The second perspective was the role of assessment and a quality-control mechanism of FMI learning. Enterprises and providers have developed many localised assessment tools to suit their own FMI context.

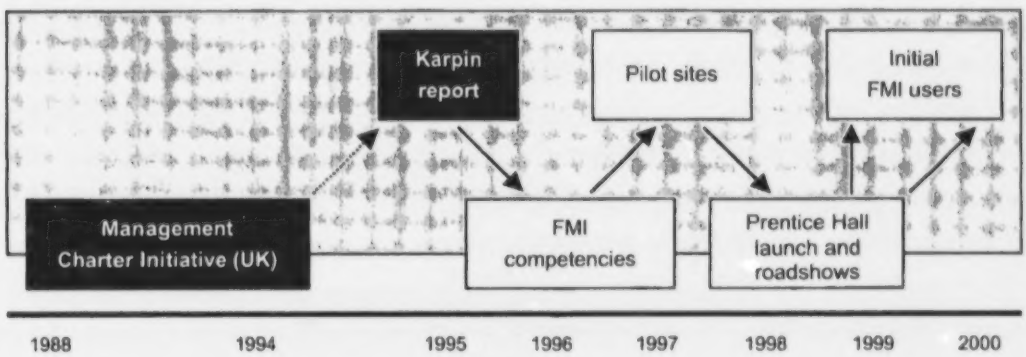
> *There are a lot of holes in FMI … although you have the competencies it's up to someone to write all the assessment material, and writing assessment tools isn't the easiest thing in the world. To write [them] across three levels against one competency is … difficult.*

The complexity of assessment has been the focus of generative learning and personal development. However, many respondents raised concerns about the validity and uniformity of assessment. The portability of the FMI qualification was also questioned. These concerns echoed the recent reports from several states that questioned the monitoring of RTO delivery and assessment. There appears to be a significant issue associated with the lack of separation between learning facilitation, assessment and the award of qualifications. Some organisations have developed their own forms of validation. Primeco and Mineco are examples of organisations under external pressure for certification due to legislation requiring FMI competencies for some posts.

Impact of the FMI on Australian business

Figure 5 outlines the emerging life cycle of the FMI.

Figure 5: FMI development timelines



So far FMI has had a lifespan of six years. There was an average number of 90 participants within the case-study sites. The frontline managers represented about 5% in these sites and ranged from less than 1% to just over 12% of the workforce. Taken as a group, the case-study sites had been using the FMI for almost two years. A review of the data collected from the telephone interviews suggested the following pattern of adoption. Table 7 identifies the length of participation with FMI correlated to the number of sites.

Table 7: FMI adopter maturity pattern

	Years					
	0.5	1	1.5	2	3	4
No. sites	8	18	5	16	4	3

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There was considerable FMI activity during the FMI roadshows (1998–99) and a renewed upsurge after internal policy decisions to be involved with the FMI during 2000. The release of the FMI kit and subsequent roadshows placed most FMI enterprise 'starts' after Pearson marketing activities in 1999 and 2000. This meant that the FMI in most enterprises was a three- month to eighteen-month intervention during the study period. It may be too early to collect evidence on FMI certification, business impact and sustainability. Follow-up case studies in the next two to three years would provide very useful additional information. The data also suggested that Victoria and New South Wales led the FMI development. Table 8 identifies the average age of FMI implementation on a state basis.

Table 8: FMI state maturity pattern

	State				
	WA	SA	Vic	NSW	Qld
Mean age	1.4	1.6	1.8	1.7	1.1

Four of the case studies involve organisations that were FMI pilot sites or associated with pilot sites. The telephone interviews included two further FMI pilot sites. The evidence from these sites was that, where the FMI is internally linked to wider company strategy and HR practices, it is likely to become an integral part of an enterprise's infrastructure. In one case, however, the FMI could not withstand a subsequent 50% reduction in management numbers. The increasing maturity of the FMI was evidenced by the advent of advertisements specifying FMI qualification and references to the FMI in recent mining industry legislation.

Enterprise determined learning infrastructure

Management determines the form and shape of the FMI learning and its active participation in this process is improved business performance. Where managers play a leading role, are active participants and use the FMI as part of a wider strategy, supportive workplace learning develops.

It is this strategic management of learning that separates internal HR functions from those that are outsourced. In such organisations, individual development is secondary to the generation of workplace learning practices, the development of management interaction and management involvement in learning. The potential impact on organisational culture stems from the development of an FMI infrastructure, strategic intent and the active management of the FMI's processes. These processes are more important than the immediate learning impact. While the nominal goal of the FMI process is individual development, some organisations have strategic intentions for the initiative and include systematic HRD and organisational development (OD) outcomes designed to change organisational culture and management style. While this is explicit in the FMI texts (and in the Karpin Committee's intent), it is only understood in organisations where 'learning' is seen as legitimate. The length of the FMI learning process was a concern to many organisations. Participants took anything from nine months to more than two years to complete their learning, in sharp contrast to short-course training. The use of RCC statements and 'tick box' approaches could lead to faster completion but with a loss of individual learning experiences and group learning outcomes. Investment in the developmentally oriented model brings better long-term outcomes. A number of components of such a developmentally oriented model can be assembled from the evidence of the case studies (figure 6).

The FMI is an individual experience. Assembling the components (of figure 6) will not guarantee a developmental experience for each manager, but it may stimulate individuals to engage with the process. There are undoubtably many individuals experiencing limited accreditation models of the FMI who have used their own energies to produce a self-changing learning experience. Managers should want to be involved, want to stay involved and want to apply their learning.

Figure 6: Features of developmental FMI practice

- Senior symbolic support that values developmental FMI processes
- Senior substantive support as an investment in developmental FMI
- A strategic approach towards organisational learning
- A strategic approach linked with other initiatives for managing culture change
- Active enterprise management of the FMI
- Diversity and risk-taking in building learning processes
- Customising units and their order to local needs
- Devolving responsibility for learning decision-making to local and individual level
- Joint application processes for participants and their supervisors
- Investment in inclusive coaching and mentoring support structures
- Strategically negotiated FMI projects
- Integrated evaluation and feedback processes

Management of the FMI was often a significant but poorly facilitated challenge. Managers responsible for the FMI were often taking a first step into competence-based workplace learning or workplace management development. This involved considerable negotiation to construct HRD and learning systems compatible with organisational structures. Such managers wanted support from a national database or forum to help their development activity, personally and organisationally. It was felt that the movement of learning and knowledge construction to the workplace was not being assisted by an adequate support platform.

Business benefits

The FMI changes management cultures. The FMI is often a 'lubricant for the changes we had to make'. The FMI has often been used as a strategic change tool. In many cases, the FMI was responsible for introducing a new leadership style. It generated an analytical, problem-solving and inclusive leadership approach. The soft skills associated with new management styles were implemented more effectively with developmentally oriented FMI models, although other internal initiatives and market conditions also had an impact

Enterprise participants and managers valued the FMI's external benchmark and the credibility that the nationally recognised FMI qualification gave to the program. Participants and managers noted that the FMI program had also motivated or pressured senior managers to review their own management development needs.

However, more often, responses from FMI users were extremely positive. FMI in many cases became a vortex learning experience for those involved. There were many reports of life-changing experiences with consequences far beyond workplace boundaries and workplace identity.

Impact of the FMI on the training market

The FMI has had considerable impact in the training market, where it can be viewed as a primary development agent. As the first national workplace-based program, it is offered openly to the market and can involve a long-term and potentially profitable relationship with enterprises.

The case studies and telephone interviews found that private and public training providers serviced FMI industry clients. However there is a degree of invisibility about public providers, as commercial arms detach themselves from their core organisation and present a more independent face to the world. For every three organisations that chose a single provider, one used more than one provider. The complexity of FMI development has led some practitioners to become commercial FMI brokers. Environco used such services as an interface between the organisation and potential providers, to assist with the impact of mass tendering and package development. Many providers see the FMI as a very different venture for an enterprise.

If CBT has gained a systematic foothold nationally and has assisted in standardising training practices, then the FMI is leading a move towards developmentally oriented learning in the workplace. The case studies suggested that a wealth of new and innovative learning relationships is emerging. FMI practices are diverse with both surveillance/accreditation-led models and developmental/learner-led models being utilised. The FMI has broken the mould of previous competency-based approaches that used less developmentally oriented activities.

However, compliance approaches were evident, often because organisational governance has been interpreted as the short-term achievement of qualifications that meet statutory requirements. The Western Australian mining industry has mandatory legislation that cites the FMI as a 'required' qualification for key posts in the industry. The FMI lacks the support of other national initiatives that might create greater investment in the developmental model. In the United Kingdom, the MCI has a stable-mate in the Investors in People scheme, part of a national HRD strategic bundle and strongly supported by government.

A number of the case studies, like Healthco, wanted some participants to continue management learning and gain credits for the FMI from tertiary institutions. The FMI appears to be breaking down the divide between a competence-based approach and higher education (HE). This is because management skilling is a recognised graduate management education area. As training markets have opened, HE institutions have been attracted to the market place. However, the systems operate from differing paradigms. HE is institute-based and generally provides preparation for the workplace with no stated standards but with an emphasis on theoretical underpinning knowledge. The FMI is workplace-based and is standards-based, focussing on current job activity with reflection to underpinning knowledge. The FMI, or any other competency-based approach, is not designed for preparation for a new role. Providers in the market place must consider appropriate ways to achieve articulation between the two approaches and to recognise the potential added value of incorporating both approaches as learning options.

The FMI's impact can also be seen in the volume of information that has been consumed and produced about the initiative. The Karpin report stimulated interest in 1995, since then almost 10 000 copies of *Enterprising nation* and associated products have been sold, sales realising well over $100 000 (AGPS 2000). The decision to use a commercial publisher for the FMI kit and associated literature was a significant decision for a national promotion strategy. It is perhaps unfortunate that, like the Karpin report, the FMI launch fell into an election vacuum. There are many thousands of FMI kits, learning guides, assessor guides and 'supervision' handbooks circulating, permeating areas of practice. Some providers even supply standard university management texts to participants. Over 450 practitioners have attended local FMI workshops at a cost of $85. There can be little doubt that these moves are underpinning a change in the language of managing and the development of a more analytical management approach. The growth of 'FMI posts' in advertisements and within companies underlines its impact.

Impact of the FMI as a learning technology

As a learning technology, the FMI is responsible for providing the blueprint for moving away from curriculum-tied, first-generation, competency-based approaches. Because it is moving the national training platform towards workplace-based, curriculum-free assessment frameworks, the FMI has exerted considerable impact. Perhaps the greatest impact of the FMI as a learning technology is in its role in changing enterprise attitudes to workplace learning and developing structures within enterprises that support workplace learning.

What practices appear most effective?

The case studies suggested some practices that have been successful, including:

- ✧ Increasing the number of participants created greater impact.
- ✧ Workplace-based learning sites had greater impact.

- ✧ Self-paced learning programs seem to be essential.
- ✧ Joint nomination processes seem to be critical.
- ✧ Organisations with a history of management development had more successful outcomes.
- ✧ Interactive group work had greater impact.
- ✧ Mentors assisted the process positively.
- ✧ Strategically chosen FMI projects had greater impact.
- ✧ Intranet online support created greater impact.

Participant impact

Participants liked the FMI's hands-on, practical learning approach. Where developmentally oriented models of the FMI are 'up and running,' participants 'do not want it academicised'. Collecting evidence is a critical FMI behaviour and participants reported the need to be a 'bower bird', emphasising that learning to collect evidence should be a primary objective in the initial learning stage of the FMI program. This was seen as a cultural footprint of the FMI activity. Several participants noted that they had benefitted from talking to past graduates and viewing their evidence files. It was noticeable at Finco that micro training champions generated enthusiasm for the scheme.

While the FMI seems to have had a positive impact on developing a language of managing, the FMI's text-based process has alienated some participants. FMI evidence collection demands considerable literacy skills, despite being based on reflection and the contextual cues of practice. There are concerns that the FMI process may exclude mature frontline managers who have limited secondary learning experiences. However it may also confront hidden learning needs (as can be seen in the last study—Michael's story). The FMI has demonstrated the capability to be both used as a tool to introduce novice learners to more textualised workplace management practices and to enable higher-degree qualified experts to engage with and build, new interpersonal skill behaviours.

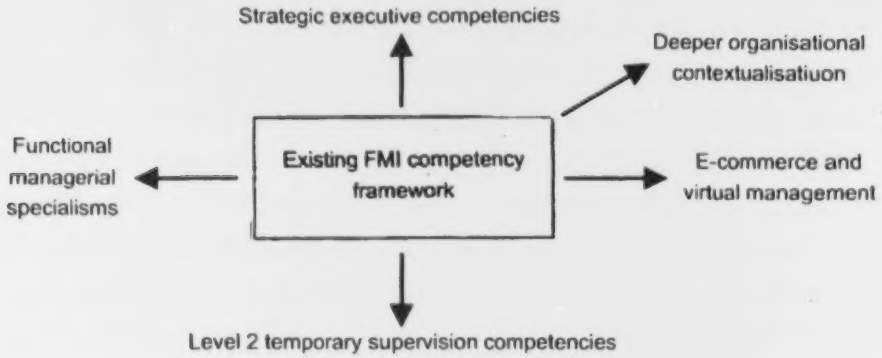
Impact of the FMI framework

While the FMI is characterised by practice diversity, the competencies of the FMI were universally seen as robust. There was little comment about development or change to the competencies. People made them what they wanted them to be, or what they were in practice. There was some comment from organisations about keeping the competencies as they currently stand. The negotiation process between enterprise and provider created unique processes of learning. The 'body of the competencies' has developed into a wide variety of development vehicles, creating unique learning opportunities and relationships. Learners appear to benefit from a mix of self-paced reflection and group interaction. The absence of either mode diminishes the impact of the initiative.

In some cases managers were attempting to bridge the FMI to existing leadership programs or to use the FMI to develop a more holistic management development program. Managers were often searching to extend the FMI competency framework in several ways as illustrated in figure 7.

Mentoring and coaching networks often occur through the FMI. Mentors are seen as critical and pivotal figures in the developmentally oriented model. The role of mentors and coaches may be blurred at times, but additional manager involvement is felt to benefit the initiative. In some cases, more managers are involved as mentors and coaches than there are FMI participants, multiplying the impact of the initiative well beyond the participant group. Training and learning negotiation is also an FMI outcome. FMI processes pass through developmental phases and initial contractual relationships may be reviewed and changed. Enterprises tend to take more control for directing learning processes as they mature, sometimes changing their provider and altering learning methods or accreditation procedures.

Figure 7: Extending competency-based management development



FMI's impact as a strategic initiative

The FMI has impacted more on HRD processes and management thinking than it has on management skills. In many organisations, the FMI is playing a strategic role in developing sustainable learning structures, better management networks and interlinking organisational systems. Such a strategic impact relies on the support of macro training champions to legitimise the move away from training and the recognition of current competence towards group learning processes.

Conclusions

Hereafter, when they come to model heaven
And calculate the stars, how will they wield
The mighty frame, how build, unbuild, contrive.

Paradise Lost 1667, book 8,1.76

Introduction

This section first maps the diversity of the FMI practice encountered in this study and then views the FMI from the perspectives of a range of diverse stakeholders. An overview of the impact and meaning of the FMI is then followed by a rationale for why and where further investment should be made in the FMI. The final chapter will outline how that investment could be made. This conclusion confirms that FMI is making a significant impact at the individual and organisational level, and is increasingly making an impact at the business level. It argues that strategic intent and investment in developmental workplace learning processes underlie this positive impact. However, both the limited pattern of FMI adoption and the restrictive investment and vision of some adopters prevents the FMI from realising greater national business impact. The conclusion argues that, because the FMI has a proven impact, further investment is warranted in order to develop both the penetration and quality of the initiative. This proposal is not based on the immediate impact of increasing managerial competency, but rather on its significance as a critical initiative in changing enterprise attitudes towards learning. The FMI is instrumental in persuading enterprises to recognise learning as a core business capability, and in providing many components of the infrastructure for wider workplace and organisational learning. It is this outcome that can add significant value to future business performance.

Mapping the diversity of FMI practice

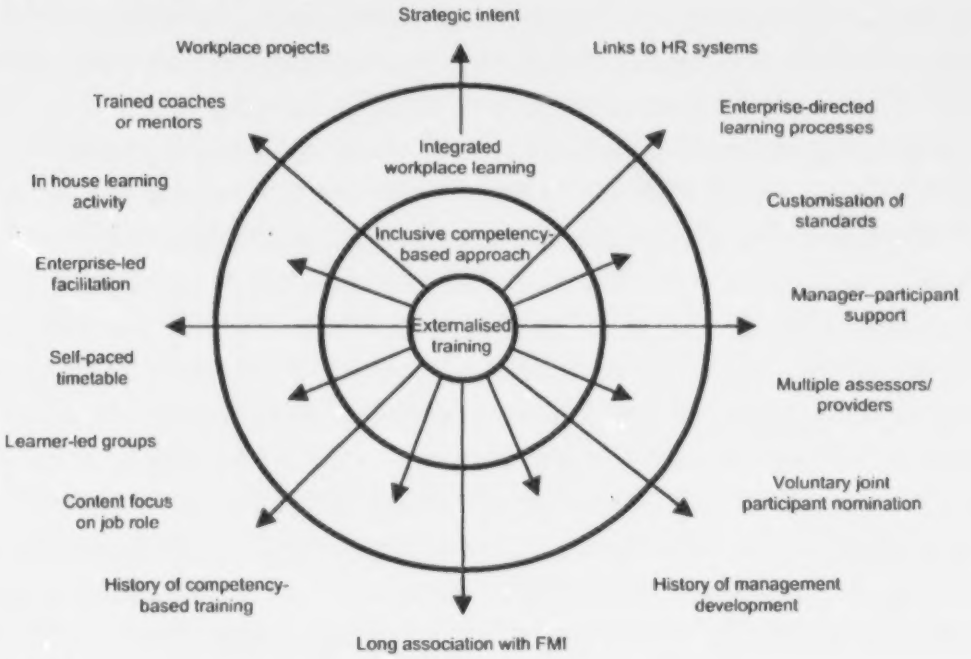
FMI practices are as diverse as organisations themselves. Each enterprise, often with significant provider direction and facilitation, develops an FMI pattern to suit their culture and environment. This approach, however, can be limited by their understanding of pedagogic processes, and the resources they are able to apply to the initiative. Unique patterns are created, sometimes with variation within the enterprise itself. It is a positive picture, with the FMI proving to be an adaptable technology and training managers satisfied with current outcomes. Perhaps more importantly, it seems that the FMI is triggering a set of HRD practices that will influence the enterprise well beyond the FMI itself, promoting knowledgeability, generative learning and the integration of learning and work.

The present study suggested a continuum of practices, scattered from minimally resourced training operations to strongly development-oriented learning platforms.

At the beginning of the study, the FMI's known practice was modelled to provide a framework. The national survey, tales from training managers and detailed practice observation from the case studies enriched the model as the study progressed. Figure 8 shows a revised model that is based on seventeen criteria that seem to be critical characteristics of successful FMI practice. They can be used to map each unique enterprise practice of the FMI. Each characteristic has a continuum and

an enterprise may have a little (centre point) or a great deal (outside circle) of that characteristic in their Frontline Management Initiative implementation.

Figure 8: Mapping the diversity of FMI practice

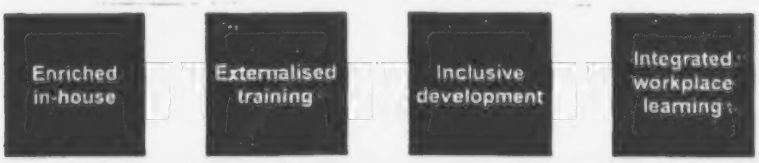


Patterns of adoption

While each enterprise's FMI pattern is unique, there would appear to be four usual FMI adoption patterns (as seen in figure 9). These include:

- *in-house learning approaches* where organisations use the FMI standards within their own training systems and do not use FMI accreditation processes
- *externalised training approaches* that exhibit little of the FMI framework's adaptive qualities
- *inclusive FMI practices* where adaptive qualities are seen in organisations (located in the first circle)
- *integrated* learning practices that are strategically orientated to develop culture, and integrate learning and work (located in the outer circle).

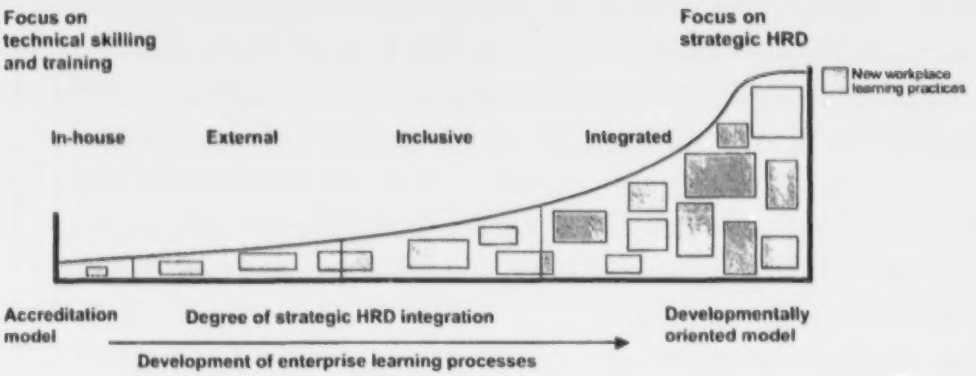
Figure 9: The emerging patterns of FMI adoption



A continuum of practice

Categorising adoption patterns brings an understanding of current FMI practices, but it is a theoretical framework. The reality of FMI activity is diversity over a continuum of practices ranging from externalised to developmentally oriented learning approaches, as can be seen in figure 10.

Figure 10: Continuum of FMI practice



Perhaps the most significant difference between FMI practices was not the immediate learning interaction, but the extent to which the FMI created new workplace learning structures. Workplace learning is moving the focus of learning from technical training to workplace HRD learning structures. These include action learning sets, mentor networks, coaching relationships, the use of external conferences, workplace projects and local training/learning groups. The developmentally oriented FMI model attempts to strategically integrate the FMI with business development strategies.

The integrated developmental model of FMI practice

The FMI may be seen as an organisational strategy tool, but it is only likely to meet this expectation if the HRD mechanisms which drive effective learning practice and the integration of work and learning are included in a management strategy. Learning must also be related to HRD/HR and business strategy; effective enterprise learning processes are not an add-on option. Such developmental models are creating learning structures and spaces that form a platform for future training packages and learning interactions. They are an investment in developing structures and behaviours that can help change practice and support innovation.

Stakeholder perspectives

The study suggests the FMI can be a high-leverage initiative capable of impacting on business performance and acting as an organisational change and development tool. However, performance improvement seems to be more likely when the FMI is a learning platform rather than an externalised training program. What does this mean for the FMI's stakeholders and for Australian businesses not yet using the FMI? This section reviews what the FMI looks like from a variety of stakeholder standpoints and suggests actions to enhance the FMI's impact.

Participants

Each FMI participant has a unique learning experience. For people battling an unfamiliar environment and directing their own learning, evidence collection without mentoring support is a major problem. Some confusion is inevitable when managers are creating new workplace learning processes. While many participants are benefitting from being part of learning networks and building links with managers in unrelated departments, others are undergoing a training experience isolated from their workplace. The study suggested that managers are constructing an expanded management identity that gives them greater confidence in their workplace. Simply being included as a manager has been a significant motivator for most participants.

Participants were often concerned about the length of the program by comparison with previous short courses. The sheer weight of evidence collection also looks daunting but often reflects the more textualised work environments. For some, however, the possibility that others may obtain the same certification with less effort devalues their qualification.

To gain most from their experience, participants need their supervisor's support, and a learning network that includes other managers as coaches and mentors. They extend their learning capabilities by trying a variety of learning situations rather than gaining short-term ticks that recognise current competence. Choosing relevant project work enhances their work status and integrates learning and work.

Some managers waiting for a place on an FMI program sometimes access the competencies and begin the collection of relevant evidence. The opportunity to build portable skills and obtain certification may motivate people to move to enterprises offering such opportunities. There is little doubt that those involved in developmentally oriented FMI models are the greatest beneficiaries.

Enterprise people development managers

Of HRD managers engaging in the FMI, many are unaware of the FMI or cannot obtain such support within their organisation. Only senior managers who value a more innovative workplace and organisational learning supported the FMI. However, the FMI is often given minimal resources where there is little appreciation of the need for cultural change and management learning. Three support pillars are needed when developing a systematic and competency-based approach to managerial learning:

- ✧ an executive manager who values organisational learning activities
- ✧ a budget to enable other managers as mentors and coaches
- ✧ a managerial climate that supports risk-taking and workplace learning.

Even when enterprises have a history of CBT and structured management development, the FMI is a new learning territory. Those who are under pressure to obtain certification are frustrated by the ambiguity that surrounds FMI practices. Thus their learning processes will become more directive. For those with the freedom to make mistakes, discussions with RTO(s) can start a process that includes other managers and devolves responsibility for learning into the workplace.

Managers of FMI learning recognise that building HRD infrastructure is a hidden FMI agenda. Involving three or four managers for each FMI participant makes the program a cultural change tool. Just as the same FMI pattern does not fit every organisation, so each individual needs a program with flexible learning options. There is little evidence that there are critical FMI competencies—they are different for each person. Customising unit order and negotiating certification levels are most effective. Many FMI managers value mutual goal-setting for FMI strategically targetted projects. They value the creation of clusters of FMI participants to develop workplace learning that supports innovation.

While managers may find the aims of the FMI are often consistent with their values about learning, FMI presents a complex program that may be difficult to sell to senior managers and needs constant attention for participants. FMI managers are often unsure about the assessment processes and concerned about the lack of uniformity of assessment in their organisation, in their state and nationally.

These learning managers have a pivotal and complex role. They have a significant effect on the development of manager identity and make critical decisions, often with little counsel or support from within the enterprise. What they most need is internal and external support. Internally they need training champions and a flexible management culture that sees learning as an investment rather than a cost. Externally, they need a network of similar managers to exchange ideas, suggestions and practice.

Executive managers

Some senior managers are unaware that the FMI is operating within their organisation. However, senior managers who recognise the relationship between building individual capability and improving business capability have been championing the FMI, protecting budgets and joining the process as coaches and mentors.

The FMI's impact on a business is not immediate. Managers often encourage strategically targetted FMI projects so that other managers support the venture. The FMI's medium-term benefits become more apparent through internal promotion and performance review processes. Learning networks, at first self-directed, can create a foundation for later project teamwork. Middle managers should be included as mentors, with executive managers as mentors and keynote speakers. What begins as support for one group of learners may become embedded organisational behaviour. The FMI has often established new workplace delivery modes that can become platforms for further workplace delivery.

Such a scenario only exists when substantive and symbolic support is given to the FMI program. Senior managers must show that learning is valued above certification, protecting the development of a creative FMI learning approach that will bring lasting business benefits and develop significant HRD infrastructure. It is important to celebrate successes openly and to create a positive feedback loop between FMI participants and managers.

SME managers have always recognised the need to create strategic training alliances. They need to use small business corporations to link with other small business managers to share relevant experiences and create clustered FMI learning programs.

Managers must understand the arguments about the need to invest in HRD, capability building and organisational development so they can make a rational decision to invest in the FMI for subsequent business performance improvement. This should include a tolerance for a venture into workplace learning and away from the short-term externalised training. The whole learning experience of the FMI will, in addition to providing managers with skills and ensuring a consistent management approach, also provide the added value of changing managerial cultures and place learning on organisational agendas.

Training authorities

The FMI is unique as a commercially promoted national training package targetted across industries. The present study suggested that a competence approach to structured management development can improve business performance. The initiative has been successfully used in public and private enterprises and in a variety of locations. While it has improved budgeting, planning and communication skills, people have also gained confidence from the experience. Beyond individuals, the FMI has been a useful cultural change tool, changing the language and networks of managing, building organisational learning and demonstrating the value of frontline managers. Businesses have benefitted from the FMI through reduced costs and productivity improvements. Where there has been turbulent downsizing and mergers, the FMI has been a change lubricant. However, results are limited at present to enterprises that have invested in developmentally oriented FMI models, representing less than 10% of Australian business. More users are needed before the FMI's full impact will be achieved.

Why should authorities invest in the FMI? What justifies support and development for the FMI for greater penetration? Firstly, the positive evidence of the initial impact suggests that the FMI provides real benefits and, secondly, the FMI can be a high leverage initiative for the following reasons.

- ✧ It has a target of more than 100 000 managers.
- ✧ It involves 2–3 managers per participant.
- ✧ Participants can coach future participants.

- ✧ It targets all industries.
- ✧ Its framework adapts to each organisation.
- ✧ It creates a workplace-learning platform.
- ✧ It can be used as a tool for cultural change.
- ✧ It is driving workplace-based learning.
- ✧ It is changing attitudes to organisational learning.
- ✧ It is building structures for workplace learning.
- ✧ It provides a useful platform for organisational development and business improvement.

At a national level, senior managers must be made aware of the relationship between workplace learning investment and business performance. This may require the production of cameo case studies from CEOs and people development managers which can be used to make a case for the FMI and to encourage investment in the FMI.

People development managers are critical to workplace learning. While often isolated, they are pioneering new learning systems and changing management identity. Many articulate their isolation by calling for a network in which they can develop and reflect on ideas with colleagues. The formation of an agency and network to facilitate such interaction may be critical, not just for developing quality FMI practices, but for underpinning the development of workplace-based learning. People development managers are increasingly important in determining learning patterns and outcomes, but without traditional resources and supporting structures from educational institutions.

There has been little discussion about changing the FMI's competencies as the framework appears robust. However, six years on, there has been a move towards electronic management, more fluid and flatter organisational structures, less face-to-face contact, and less direct supervision. It may be time to invite wide feedback on the standards, perhaps through the suggested agency or network. Some suggestions have been made that level two qualifications aimed at temporary supervision and managing trainees might also be developed.

Finally, the issue of assessment standards and equity in certification is often raised. Monitoring RTOs' capability to deliver increasingly complex learning processes places a real responsibility on state authorities. It is time to consider introducing a validation process, such as a self-regulatory code of contact, at a national level, perhaps promoted through the suggested FMI agency or network.

Training providers

The present study focussed on the FMI's impact within enterprises, rather than on providers' role. Training providers have entered a new world with the FMI. They can no longer present the same generic package or the same costing and structure to each client. Most are glad that they are involved with workplace-based activity and meeting real learning needs. However, the new environment is complicated by the need for constant negotiation. It is difficult to promote a program that only has a structure when learning needs are negotiated, and where a considerable part of the learning is about understanding emerging processes. In a highly competitive market, providers are pitted against each other in a process in which enterprise managers develop selection criteria from previous providers' presentations. The management of workplace learning requires new skills, involving the negotiation of learning options and responsibilities within budgets and frameworks. It is a considerable challenge that will increase as the market moves more towards workplace-based learning.

FMI delivery places learning facilitators in organisations and in unfamiliar cultures. Increasingly, providers will have to learn and record the critical characteristics of specific cultures. Training managers noted that enculturing facilitators before training will become routine. While the emphasis so far has been on FMI participants, increasingly there will be an emphasis on developing

mentor and coaching networks. Providers will need to engage with highly trained, strategically oriented managers, and may need to consider their capability to carry out such activity. Enterprise managers are often unsure what they are likely to get for their development money. It may be more useful for training providers to provide a response to unique tenders which includes a menu of possible additional options used by previous organisations together with a broad price structure. In some cases, confidentiality and contracting competition can obscure the critical negotiation of learning practices. Providers form more sustainable relationships when they interact with potential clients through the people development managers.

The market's maturity has brought expectations that providers know the FMI well and can prepare sophisticated bids. Many RTOs can educate training managers and co-ordinators about FMI processes. This activity might be commercialised to raise the understanding and professionalism of organisations operating in the field.

While the market determines effective providers, it appears there is a conflict where RTOs provide all delivery and assessment activities. Some RTOs already practise a voluntary system of validation with partner organisations for FMI accreditation processes. This practice is becoming increasingly accepted and may be recognised as an increase in RTO professionalism.

The survey undertaken in the present FMI study found that smaller businesses do not have the numbers needed (50 to 100 participants). There may be a niche market in forming clusters of small business FMI participants, non-user businesses and people preparing for management. There is every possibility that such an activity could be a useful marketing tool.

While RTOs have wealth of material about the FMI and learning processes, the first step in engagement with the FMI is creating a link in the minds of senior management between workplace management learning and business performance. While the immediate result of this process is successful RTO contracts, the longer-term advantage is business improvement and national capability building. Some RTOs indicate that the process of gaining commitment to the FMI would be improved by more effective marketing material which indicates national and government authority.

Publishers of FMI kits and related materials

The FMI is the first commercially driven, nationally publicised training initiative. The FMI has benefitted from ministerial support, roadshows and significant local marketing by RTOs. Despite this, nearly two-thirds of managers with responsibility for training are unaware of the FMI. Given the current success of the FMI and its potential market, this presents a great opportunity.

FMI users see a need for a wider FMI network beyond the current FMI website. It is unlikely that a commercial publisher will be the appropriate location for interactivity in what is a vibrant market with competing RTOs. Any agency or network of FMI participants and training managers would need to be owned by those groups and serviced by other parties. It may be that the development funds produced by FMI publications could be invested in the construction of such a site, network or agency, such as that that exists in the UK for the MCI.

A number of initiatives at enterprise and provider level are working to move the FMI online. At best, these attempts involve an exchange of formats, ideas for evidence collection and projects, assessment experiences and tools, and learning support structures. In other instances they are no more than a replacement for the FMI paper information, designed to streamline accreditation processes. To avoid duplication, the kit could be augmented by a standardised electronic support system that replicates current materials and formats.

It is surprising how many FMI practices exclude coaches and mentors. It is evident that, while managers obtain and scan the FMI literature, the meaning they take from the kit is dependent on past experiences with externalised, short courses and training. While the pilot case studies provided material about the FMI, there is a wealth of evidence about workplace-based learning for managers

within a competency-based framework. This material needs to permeate business and manager thinking, not just for the FMI, but for the more effective development of learning structures that support subsequent training packages and organisational learning processes. The cameo case studies could be augmented by descriptions of workplace management development.

The original roadshows were successful in reaching interested practitioners. Some training authorities and training associations have begun local FMI forums. It would seem to be worthwhile to plan a similar series of self-financing workshops to generate further interest in the FMI and to gather information about supporting structures for practitioners. Separate workshops might be provided for providers and enterprise audiences. There is still a considerable FMI market, perhaps five to ten times the current activity, according to the Karpin report estimates. Consideration should be given to materials that could be freely available to potential managers and participants, which could be distributed at selected sites to promote FMI activity.

The management of the FMI is a complex and challenging task. There is enough evidence of effective options and practices to suggest the publication of information on managing the FMI as an HRD and OD venture and on generating workplace learning, would be useful. Such publications could deal with the political aspects of the process and provide training managers with practice models and arguments for change based on the information provided in this report.

The FMI has been well-received and diversely implemented across a broad range of organisations; it has had an impact on people, their organisations and business performance. Developmentally oriented FMI models have had greater impact and it seems likely that the FMI will have a greater impact on business performance as FMI programs mature over the coming years. The FMI has also had a critical impact beyond the FMI itself, changing workplace learning structures and attitudes to organisational learning that will benefit all workplace-based learning activity. The FMI is a high-leverage initiative, but to secure and develop its potential future impact, more promotion is needed with developmentally oriented models being the key.

Overview of FMI impact and meaning

There is little doubt in the mind of those involved in the present project that the FMI has developed as a diverse set of practices, some of which have created real workplace learning structures increasing the value of learning and extended managerial identity. For many, the FMI has been a career-changing experience and, for a few, a life-changing experience, in which flexible practices have created an ideal learning context.

There is also little doubt that developmentally oriented FMI models should be encouraged. Enterprises are likely to benefit not just through more skilled management, but because such an approach establishes a workplace learning platform and architecture that improves workplace learning and, subsequently, business performance.

The present study supports the view that there is a chain linking individual learning to improved business performance. There also appears to be a critical relationship between strategic intent and FMI impact. The impact at an individual level centred on the development of a management identity, while the organisational impact focussed on enabling learning and on network development. While the initiative is still immature, there is, nevertheless, evidence of business impact in most cases, with reductions in costs and improved business performance. It is likely that there will be much more evidence of business impact by the time this report is read.

The key characteristic of the FMI is its diversity. While over six years old, it seems that its fluid and adaptable framework is based on robust competencies that represent effective frontline management skills, despite an increase in electronic processing, flatter organisational structures and greater knowledge work.

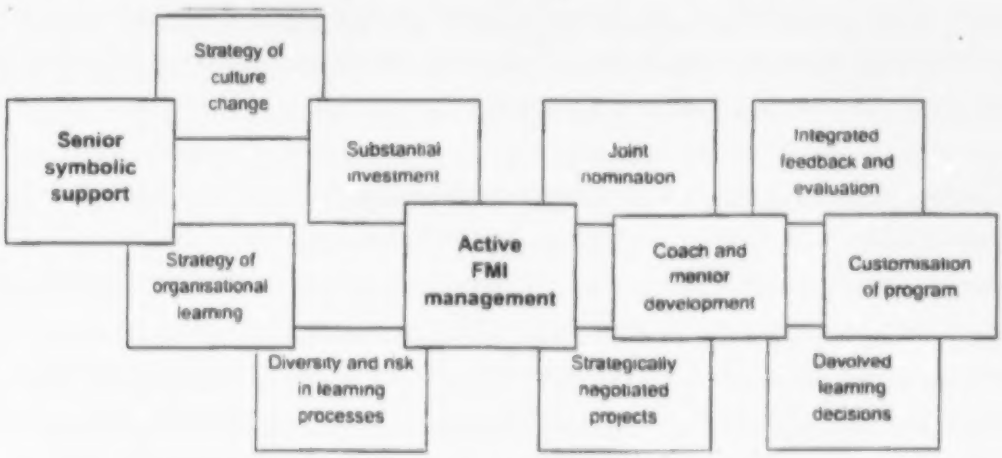
Flexibility in meeting a wide range of organisational environments means that, in some FMI cases, pressures for accreditation have led to certification being seen as more important than learning. By contrast, when organisations with symbolic and substantive senior management support invested in developmentally oriented FMI models, effective and inclusive learning and managerial networks have been created.

The FMI is keenly supported. While it has not been successful in all cases, the inadequacies of organisational processes were cited as the cause, rather than the FMI itself. By contrast, some participants and managers found a new identity through the FMI's processes and have become strongly committed to the initiative. The benefits from such an experience have not been confined to the development of a more enterprising self, but have led to a broader and more confident identity outside the organisation.

The FMI has low penetration and still has considerable territory to colonise. The last roadshows were completed as the present study was being developed. Even so, the more than 25 000 participants who have experienced the FMI have created a strong platform for the FMI's development.

The FMI is a high-leverage initiative with the potential for greater impact. At a personal level, it has been successful in creating a management identity. At an organisational level, it has involved other managers in the process and improved mentoring and coaching abilities. At a development level, it has been a cultural change and organisational development tool changing attitudes and creating effective HRD structures. At a business level, it has provided an effective platform on which to build a range of strategic development activities designed to improve performance. What is required for its ongoing success is a commitment to build on the current support network and diversity, to construct developmentally oriented FMI models and try to obtain better penetration, as can be seen in figure 11.

Figure 11: Model of strategic developmental FMI practice



The study found the FMI's diversity was both a strength and weakness. The FMI's most evident characteristic was diversity in adoption as the FMI adapted to enterprises' needs. However, while such diversity was centrally orchestrated, it is not been supported from the centre. Previously, learning frameworks were institutionally controlled but, in the current open training market with a move to in-enterprise learning, the interpretation of learning frameworks and is controlled by enterprises and their RTOs.

The diversity is creating both developmentally oriented learning FMI models and quick-fix training and accreditation FMI models. It is in the developmentally oriented models that HRD or people

development managers are creating enterprise learning structures that provide benefits beyond skilling individual managers. HRD managers are being asked to lead and create a complex learning process and learning structures, often with limited guidance and resources.

Why invest further in the FMI?

In essence the FMI is the first national training package designed to assist the training market shift from training to workplace learning. Not only has the FMI had a significant impact in this regard, it has also played an important role in creating positive attitudes to learning within enterprises. Many frontline managers participating in the FMI worked with a network of supporting managers and, subsequently, the FMI demonstrated a positive impact on their team. The learning networks that have been established have become managing networks and FMI learning is now a part of many organisations' language and practice. In short, the FMI assists organisational learning, creates workplace learning infrastructures and can be an organisational development tool.

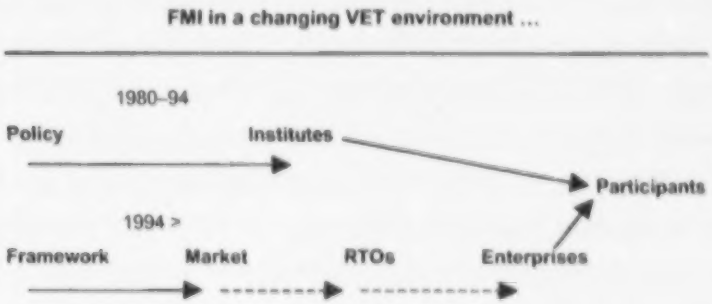
The FMI is having an impact beyond management skilling. The infrastructure being created is building organisational capability. The FMI is, from this perspective, a prime mover in a system change away from fifty years of institutionalised training, towards workplace-based systems. The FMI is helping to move the current system from:

- ✧ training to learning
- ✧ externalised courses to workplace activity
- ✧ a technical focus to a people skills focus
- ✧ facilitation to HRD structure-building
- ✧ training as a cost, towards investment in performance improvement
- ✧ individual skilling to organisational capability building.

The FMI is a critical initiative in terms of its location, patterns and goals, and is contributing to the 'evolving practice' of workplace learning (Boud 1998). It has established workplace-based, multiple-mode, interactive and enterprise-focussed approaches to learning. In some developmentally oriented cases, the FMI has provided an environment for training champions to develop, but such workplace based 'learning paradises' do not occur without support. In most developmentally oriented models, the FMI is only part of a strategic bundle of integrated initiatives.

Figure 12 shows graphically the difference in the system before and after the training market/FMI—before policy was passed to the TAFE institutes as instructions and then skills fed into participants. Now framework(s) are released onto a training market that consists of TAFE and commercial providers (registered training organisations) who form relationships with enterprises and learning is negotiated with them and with the participants.

Figure 12: Changing influences mediating practice

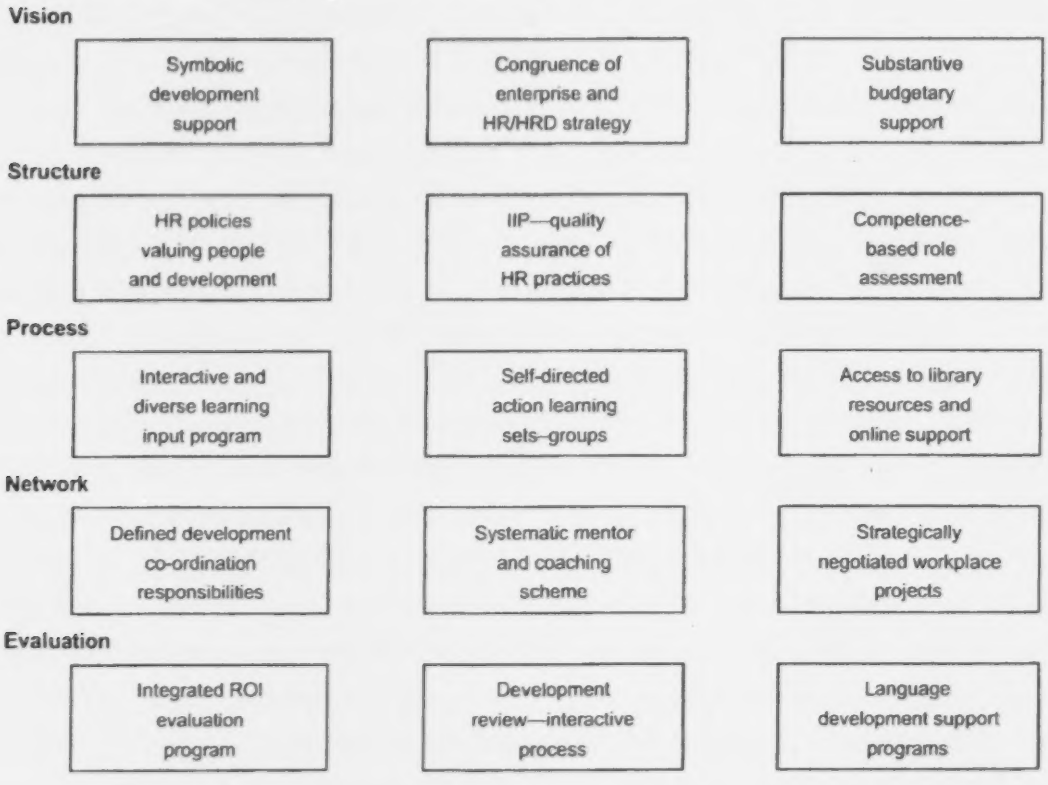


The FMI has seen the development of new HRD infrastructure patterns and workplace-managed learning, both of which have had critical implications for future organisational learning, capability building and performance improvement. Support for these developing structures is critical if the new system of enterprise-managed workplace learning is to replace traditional patterns of training. While the FMI may have been and can continue to be instrumental in this change process because of the critical management group it targets, placing learning on the agendas of CEOs and management will require an even greater focus on enterprise capacity-building.

In recent years, statutory authorities have changed their training focus towards workplace learning and improved business performance. Within industry, training managers are becoming people development managers as their focus shifts from training to learning. Perhaps it is time to consider a similar move in the national training framework to reflect a change from distributing institutional funding and accreditation monitoring towards capability building and business improvement.

The study found that the FMI is in the vanguard of initiatives which lead to enterprises recognising and investing in developmental learning as a part of their core business. If the national focus is to continue to in this direction, the FMI will be a critical program for capability building. There is evidence that the FMI is a key element in generating a culture of learning (Scollay 2001). However, previous research suggests that this would be achieved more effectively by linking a range of development initiatives not as a system, but as a supporting structure for innovation. Many of the components of such initiatives are evident within developmental FMI models and are already operating in more strategic HRD environments. What is required is a wider HRD-focussed initiative to gain CEO commitment to resourcing such capability-building architecture to improve business performance. The link between people development and business effectiveness engineered by the FMI could be continued and developed through a broader HRD program. A national award or assessment process with specified standards based on the following modules might be a mechanism to leverage attitudes and action for such capability building (appendix 9).

Figure 13: Capability-building architecture for business performance improvement



Capability building architecture for business performance improvement

The FMI case studies illustrate a number of practices that have formed a platform for more effective organisational learning and development. They provide the basis of a framework for capability building which could underpin far wider people development within enterprises and far greater improvements in business performance. The Investors in People scheme has, in the UK, provided a successful model of how organisational competencies can be used to promote more effective HRD processes. The draft framework (figure 13) attempts to draft the core areas of organisational competency which would be targetted by such a scheme designed to promote and develop capability building in enterprises for performance improvement. Each area of the framework would provide organisational standards for monitoring and assessment purposes (see appendix 9).

Where to invest in the FMI

Previous NCVER studies showed that competency-based approaches to training have helped to systematise enterprise learning at practical and mechanistic levels, giving almost immediate benefits. Competency-based management development is, in contrast, a longer-term strategy that requires vision and investment. From the evidence gathered for this study, the following factors seem to offer potential for such an investment and on which subsequent recommendations have been constructed. They form the pillars of the 'rickety bridge' that hopefully will link this study to future FMI policy and FMI practice development (Selby-Smith et al. 1998). These are:

- leveraging the FMI for sustainability and quality
- leveraging the FMI for penetration and quantity
- leveraging the FMI and workplace learning through monitoring.

Sustainability and quality

- Users are, in general, adapting the current FMI's competencies and formatting them to their own needs. Users are enthusiastic about the FMI and most view the initiative as successful. The competencies are viewed as robust.
- There is considerable diversity of practice. The FMI framework provides the flexibility needed for organisations to use the technology to meet a wide range of strategic development needs. Strategically integrated, developmentally oriented models of the FMI have more impact than accreditation models and are providing the infrastructure needed to sustain management dynasties.
- Developmentally oriented models are based on the construction of an HRD architecture and place considerable responsibility on training or HR managers, now the focus of learning has moved to the workplace.
- Developmentally oriented models need symbolic and substantive senior management support.
- There is concern about the lack of moderation in assessment and it is felt there is a need for greater uniformity in assessment standards.

Penetration and quantity

- The FMI has limited penetration, leaving considerable scope to involve new users.
- Potential users would like workplace evidence so they can make a case for the FMI.
- Small businesses are generally excluded, although the FMI has been effective when used.

Continued monitoring

- It may be too early to judge the business impact of the FMI. Organisational development impacts are likely to be more evident in the future as the current FMI activities mature and participants complete current learning activities, workplace projects and the chain is completed.

- The FMI's competencies appear robust. However, the growth of electronic managing, knowledge work and flatter organisational structure may erode their validity.
- The FMI may be more effective when bundled with other initiatives that support workplace learning and capability building.
- The role of training and people development managers will be increasingly important in the ANTA-funded staff development project 'Reframing the Future' (ANTA 2000; Young 2001).

Implications for further consideration

The mind is its own place, and in itself
Can we make a heaven of hell, and a hell of heaven — *Paradise Lost* 1667, book 1, l.249

How to invest in the FMI

Increasing the impact of the FMI on an 'enterprising nation' may involve action in the three broad areas identified in the conclusion of the previous chapter. The suggestions for future actions emerging from this study are listed below, and subsequently explored more fully.

Sustainability and quality

It is suggested that:

- the practices in developmentally oriented models be promoted through the creation of a supporting and interactive FMI agency or network
- the potential impact of more developmentally oriented FMI models on workplace learning be promoted to persuade organisations to invest in workplace learning and capability building
- a validation practice for the assessment process be developed as self-regulatory good practice within RTOs.

Penetration and quantity

It is suggested that:

- there is need for a second round of FMI workshops across Australia, supported by the publisher of the FMI-related materials (Pearson Education) and state-based training authorities
- the publisher consider developing online FMI materials and determining the publications or material that might be made freely available to encourage the FMI's uptake
- Department of Education, Science and Training (DEST), state training departments and regional small business development agencies should be advised of the potential impact the FMI might have on local small business. Such agencies should consider using small business incentive grants to assist the creation of SME FMI cluster groups.

Continued monitoring

It is suggested that:

- current study sites should be revisited within the next few years to gather more mature evidence of business impact
- a review of the relevance of the FMI competencies and framework be held at that time, based on a survey of enterprises' and participants' needs, rather than on provider feedback to underpin structural development
- a study be undertaken to determine the resources, issues, outcomes and benefits associated with the development of organisational standards or competencies in capability building which could serve as a reference point for enterprise development practices and might form an award or monitoring framework with tax incentives (appendix 9)

✧ NREC be advised that structures which support training managers and people development managers be considered critical research targets, as workplace learning increases in importance for 'Reframing the Future'.

Investing for sustainability and quality

Supporting agency

Interactive FMI agency or network

The invisibility of the FMI in a competitive training market has led to great diversity in practice. However, many of these practices do not maximise the FMI's potential for organisational learning and development. The current framework provides few feedback paths or support mechanisms to promote more effective FMI practice. The diversity characterising FMI and the flexibility that enables organisations to produce unique approaches, also allows the FMI framework to be diluted and used as a form of traditional skill training, rather than professional development.

HRD managers responsible for the FMI need a forum which supports and promotes effective practice, as exists for the MCI in the UK. This could involve a supporting agency, network or body not associated with the publishers, but perhaps with professional or academic institutions. Bodies such as the Australian and New Zealand Academy of Management (ANZAM) and the Australian Institute of Management (AIM), business services ITABs, Association of Professional Engineers Scientists and Managers (APESMA), the Australian Institute of Training and Development (AITD), the Australian Human Resource Institute (AHRI) could contribute to such a peak agency. However, the agendas of some organisations associated with FMI providers might preclude them from taking a leading or visible role. In the UK the MCI is positioned as the lead management standards body and links management development with other strategic government initiatives to build business competitiveness. Management development is viewed as a high-leverage initiative.

The role of such an agency for Australian business would be to promote effective FMI practice and support people development managers involved in the FMI. The network would recognise the significant role played by such managers in introducing workplace learning. It would recreate the forms of discussion and support available to training managers in educational institutes, registering all enterprise users. It would be a valuable resource for HRD managers seeking to introduce the FMI as it could provide the evidence needed to make a case for the FMI's introduction and promote local networks. Such an agency would need initial assistance from ANTA and would have to develop a national listing of the FMI user constituency. The agency might provide opportunities for corporate and individual membership with access to related materials. In its most limited form, it might provide a virtual discussion forum for users, case-study material, a national bulletin board and direct feedback channels to publishers.

The divide between academic and industry bodies in management was highlighted in the Karpin report. The current situation means that research that might support manager development is often not disseminated to managers and, conversely, the dilemmas of practising managers are often excluded from academic research initiatives. As manager development has been identified as a critical issue for enterprise development and Australian prosperity, this relationship is inappropriate. A peak FMI agency might be a suitable platform to create joint activities between academic and practitioner bodies, focussing on management practice and assisting in the dissemination of relevant management research. The agency could play a critical advisory role to government, monitoring national management development and continuing the developmental platform built by the *Enterprising nation* report.

Managers with HRD responsibilities are constructing a new identity, one which involves workplace learning and replaces the previous focus on internal and external course organisation. The production of such an identity is a critical feature of FMI development and requires effectively disseminated research. To return to the Karpin chain, the production of such identity is critical for

the development of more effective management cultures through developmentally oriented FMI models. Such an identity is directly linked to more effective organisational cultures, improved business benefits and wider social development. ANTA should consider reinvesting income from the FMI learning materials to fund such an agency.

Investment in learning

It is critical that a key message of the *Enterprising nation* report, the relationship between building management capability and business performance, is reinforced to all enterprise leaders. This may entail the development of a wider program (outlined in appendix 9). The suggested agency should promote the FMI to senior managers to increase their investment in developmentally oriented learning processes. Short cameo case studies with a focus on business performance which emphasise the Karpin chain should be produced in the model of the current ANTA 'Training pays' campaign (www.trainingpays.anta.gov.au).

FMI assessment

The suggested agency should play a role in promoting or verifying the FMI's assessment. The British moderation and verification model is a possible model. However, the Australian system has a different historical and political base. The first stage might be to introduce a good-practice guide for RTOs that would be self-regulatory in the first instance and might form part of a re-accreditation process. There are current national reports on assessment which would support such an approach. Consideration should also be given to producing guidelines for the adaptation of the FMI framework as a distance learning program and as preparation for a management development program.

Investing for penetration and quantity

Promoting FMI awareness

FMI workshops

The FMI would benefit from a significant new marketing initiative to re-promote the initiative. The present research suggested that enterprise performance would benefit from a greater FMI uptake. The FMI, unlike training packages, is not aimed at a single industry group and has benefits for organisations beyond individual skilling. The FMI should be given a priority status because of the important outcomes associated with the initiative. It may be appropriate for ANTA to invest in such marketing activity. State authorities should also recognise that local promotion could improve performance in local industry, suggesting they should become involved in such activities.

Online FMI materials

The FMI would benefit from a series of short case studies which outline the benefits of the FMI and promote effective FMI practices. This material could be part of an online strategy to promote the FMI and increase the FMI's market. Consideration should be given to making some of the basic FMI materials freely available to stimulate interest in the FMI. Enterprises that wish to customise FMI materials would benefit from such online resources and an open and transparent policy about the customisation of the publisher's materials.

Small business incentive grants

The strategic nature and infrastructure demands of the FMI position it primarily as a tool for medium and larger organisations. However, state training departments, small business development corporations and regional small business development centres may find that the FMI is an effective lever to systematise management skill development and develop changed attitudes towards development activity and business performance improvement. The DEST Small Business

Professional Development Program might be used by state training departments to form small business clusters of local FMI owner–manager participants who can be networked with mentors within a customised FMI framework.

Investing for continued impact

Ongoing monitoring

Future assessment of current study sites

Cultural change and business impact are not instantaneous. It would be appropriate to gather further evidence in two or three years after individual learning has changed managerial behaviours, fed into organisational structures and impacted on business activity. Revisiting current case-study sites would provide considerable additional case-study evidence to support current FMI users and influence prospective FMI users.

Review of FMI competencies

Changing management roles, organisational structures and new technology suggest there should be a five-year review of frontline management. The OHS competencies are currently under review. The changing business environment is changing frontline managers' roles. Competence-based frameworks are always disadvantaged by being retrospective constructions. While the FMI has developed a national 'brand', there are strong provider comments about changing the qualification name to place less emphasis on 'frontline' and more emphasis on 'leadership'. In addition, many progressive organisations are searching for a similar seamless management development framework that can be used with all levels of management. These issues could be addressed in such a review. The suggested agency might carry out such a review.

Development of organisational standards or competencies in capability building

Standards could be developed so accredited consultants could review evidence within an enterprise, and develop an improvement plan based on investing in workplace-based learning and capability building. This could be used as a national standard with an associated award. Promotion of the standard would raise senior managers' understanding of the outcomes of development investments and flexible development activity. Grants or tax incentives could be available for consultant assessment programs and state authorities would license assessment processes and consultants. Consultant training and accreditation would, in itself, build training providers' ability to understand and promote developmentally oriented learning practices (appendix 9).

Supporting structures for training managers and people development managers

VET research has been strongly oriented towards institution issues. However, the current emphasis on training market and work-based learning activities has begun to change that. The present study found that managers co-ordinating workplace learning are faced with a range of complex dilemmas when constructing new systems of learning within enterprises, and should be a focus of 'Reframing the Future'. Technical and externalised training is being traded off to enable relationship skills and workplace learning to develop. The choice for such managers may be to cling to the routine and face service outsourcing or to facilitate strategic change, knowledge management, human capital accounting and learning climates and structures. The attitudes of senior managers are critical to establishing and legitimising new and flexible approaches to workplace-based learning but little is known about these factors and research is needed to ensure appropriate promotion is used in such situations.

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Appendix 1

Research questions and benefits

Each of the four primary objectives of the study is listed on the following pages with the associated project benefits and the related research questions.

Primary objective	Benefits	Research questions
Individual level: To determine what changes in *individual performance* and frontline managerial competence are associated with involvement with the FMI. Are people better at their job and how?	Identifying evidence that may substantiate the underpinning rationale for FMI training in terms of improving individual competence and performance. Providing an assessment of the relevance of core and elective competencies in a range of individual frontline management circumstances. Developing an understanding of the relationship between FMI training and competency-based management development, assessing the diversity of the approach and indicating potentially excluded groups. Providing evidence of the value to individuals of a competence approach to management development at frontline management level. Providing an assessment of the modes of delivery and assessment to inform second-generation competency-based approaches to training.	What evidence is there of individual improvement in the area of FMI core competence? What evidence is there of individual improvement in the area of FMI elective competence? What evidence is there that the FMI was directed at current frontline management training needs? What levels of FMI certification are targetted and why? What was the difference between expectation and reality of competency-based management training experience? What was liked/disliked about the FMI process and what should be changed? Who was not involved with FMI training or dropped out, and why?
Organisational level: To determine what changes in *workplace performance* are associated with involvement with the FMI. Is the organisation functioning more effectively and how?	Identifying evidence that may substantiate the underpinning rationale for FMI training in terms of improving organisational performance. Indicating the critical FMI competencies that have an impact on workplace activity and performance. Indicating the critical FMI competencies that have an impact on continued workplace learning, creativity, and group learning. Indicating the critical FMI competencies that have an impact on subsequent workplace communication. Indicating the critical FMI competencies that have impact on subsequent workplace cultures that use diversity. Developing an understanding of the diverse patterns of relationship between FMI training and subsequent organisational change, specifically that associated with HRD and accrediting competence.	What evidence is there of organisational improvement following individual and/or group approaches to FMI training? What evidence is there of an improvement in organisational communication and/or workplace learning following FMI training? What evidence is there of an improvement in organisational innovation and valuing diversity following FMI training? What evidence is there of change to the culture of management development and/or competency-based training within the organisation? What was liked/disliked about the FMI training relationships and what should be changed? What was the selection policy, and the implications of that policy, for FMI training?

Primary objective	Benefits	Research questions
Business level: To determine what changes in *business performance* are associated with involvement with the FMI. Is the business functioning more effectively and how?	Identifying evidence that may substantiate the underpinning rationale for FMI training in terms of improving business performance. Identifying evidence that may substantiate the value of a competency-based approach to management development in terms of improving business performance. Indicating the broad areas of FMI competencies that subsequently impact on business performance. Indicating the critical FMI competencies that have an impact on business innovation. Developing an understanding of the diverse patterns of relationship between FMI training and subsequent business performance.	What evidence is there of business improvement following FMI training? What evidence is there of organisational changes following FMI that have provided business performance improvements? What was liked/disliked about the relationship between the FMI package and business needs, and what should be changed? What evidence is there that all areas of business are adopting the FMI? What evidence is there that the FMI is being established as the key lever of business performance improvement as indicated in the Karpin report? What evidence is there that the FMI is developing a national uptake that reflects the original targets for the initiative? What FMI uptake can be estimated from a statistical inference?
Strategic level: To determine if a *strategic approach* to the Frontline Management Initiative is associated with more positive organisational and business outcomes. Does a strategic approach to the FMI give better results and how?	Identifying evidence that may substantiate the underpinning rationale for FMI training in terms of the benefits of strategic approaches to management development. Improving understanding of the relevance of strategic integration of training initiatives and business performance. Developing an understanding of the diverse national patterns of relationship between business strategy and FMI training and subsequent organisational and business outcomes. Identifying evidence that may substantiate the underpinning rationale for using competency-based management development as an HRD strategy. Providing models of effective approaches to FMI for subsequent businesses adopting competency-based management training that avoids barriers and maximises participation.	What evidence is there that the adoption of the FMI was determined as a result of business strategy? What evidence is there that the adoption of the FMI was determined as a result of a broader organisational development strategy? What evidence is there that the adoption of the FMI was determined as a result of a broader management development strategy? What evidence is there that the adoption of the FMI is a planned and long-term relationship and what may frustrate this relationship? What evidence is there that the Frontline Management Initiative is part of a business strategy, which includes changes to workplace culture and broader management education as outlined in the Karpin report? What evidence is there of strategic decisions to customise FMI competencies or develop in house FMI training capabilities?

Appendix 2

Focus group protocol

The initial gathering of evidence about the practices of the FMI was conducted statewide and with diverse groups of stakeholders.

The focus groups involved participants, managers and employees in FMI user enterprises, as well as training providers, state and national training administrators, and state-based researchers involved in this study.

The initial design of the study had been developed from the literature, anecdotal evidence, and the published framework of the FMI. The focus groups were primarily designed to alert the researchers to current practitioner issues and to contribute towards funneling the research design towards critical issues. The key questions for the focus groups were:

- Why did you get involved with the FMI?
- What patterns of FMI adoption do you see?
- What difference is/can it make to individual frontline managers?
- What difference is/can it make to their organisations?
- Is it delivering tangible business benefits and what are they?
- How could FMI be improved?
- What evidence is there of FMI being part of business strategy?

Appendix 3

National survey questionnaire

The following questionnaire was used in the broad national survey of approximately 3500 organisations (2800 in first survey; 700 in second) and is shown in the format used in the first random survey. The subsequent targetted survey was identical in question detail, but included variations in the questionnaire introduction to match the target group.

The questionnaire has been amended to fit this report document format.

NCVER

The EFMI Survey is Authorised by the National Centre for Vocational Education Research

To: Human Resource Managers or Training and Development Managers.

This **National Research Study** is an attempt to examine a variety of issues in the management, training and development areas and their impact on organisational performance.

The study has been authorised by the Australian National Training Authority and the National Centre for Vocational Educational Research. This survey has been cleared by the Commonwealth Government Statistical Clearing House in accordance with government guidelines.

The project will only work if we can collect *your views* of management development and, in particular, frontline management development within your organisation. A Frontline Manager is a person 'who is responsible for the co-ordination of the work of others and is the first level of such co-ordination within the organisation'.

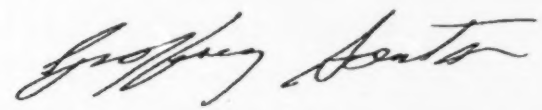
Your responses concerning managers and management development will be valuable to the project. The project will collect the views of HR and Training Managers, Managers and Frontline Managers by questionnaire and then subsequently through interviews. We are interested in what business benefits there have been from management training processes.

The information gathered will be treated with strictest confidence as the study has been approved by independent business and community members of the University Ethics Committee.

We would be extremely grateful if you would complete the appropriate answers and use the self-addressed, reply paid envelope for the return of your responses. We value your input, but if you are unable to respond, please authorise a colleague to do so on your behalf by the 12th April 2000.

If you would like a brief summary of the findings when the results are available, please enclose a business card so we can mail the project outcomes directly to you.

Thank you,



Professor Geoffrey Soutar, Project Director
University of Western Australia

First of all, this section asks about background details of your organisation so we can put your responses in context. For each question please tick one box, unless otherwise asked.

(1) How many employees do you have in your organisation?

50 or less	[ ]
51–100	[ ]
101–500	[ ]
501–1000	[ ]
More than 1000	[ ]

(2) How many frontline managers do you have in your organisation?

10 or less	[ ]
11–20	[ ]
21–50	[ ]
51–100	[ ]
More than 100	[ ]

(3) What was your organisation's annual turnover or budget in the last financial year?

Less than $1M	[ ]
$1M–$10M	[ ]
$11M–$50M	[ ]
$50M–$100M	[ ]
More than $100M	[ ]

(4) Which industry, business or service classification best reflects your organisation?

Agriculture, forestry and fishing	[ ]	Transport and storage	[ ]
Mining	[ ]	Communication services	[ ]
Manufacturing	[ ]	Finance and insurance	[ ]
Electricity, gas and water supply	[ ]	Property and business services	[ ]
Construction	[ ]	Education	[ ]
Wholesale trade	[ ]	Health and community services	[ ]
Retail trade	[ ]	Cultural and recreational services	[ ]
Accommodation, cafes and restaurants	[ ]	Personal and other services	[ ]

(5) In which parts of Australia is your organisation's main centre of operation?

ACT	[ ]	NSW	[ ]	NT	[ ]	QLD	[ ]
SA	[ ]	TAS	[ ]	VIC	[ ]	WA	[ ]

(6) Do you operate in:

Metropolitan areas [ ] Rural areas [ ] Metropolitan and rural areas [ ]

(7) How would you describe your organisation's performance in the following areas?		*Very poor*						*Very good*
Sales	(or customer response)	1	2	3	4	5	6	7
Sales growth	(or growth in customer response)	1	2	3	4	5	6	7
Return on investment	(or budget allocation)	1	2	3	4	5	6	7
Profitability	(or value by community)	1	2	3	4	5	6	7
Market share	(or community penetration)	1	2	3	4	5	6	7
New products	(or service innovation)	1	2	3	4	5	6	7
Product quality	(customer satisfaction)	1	2	3	4	5	6	7
Service quality	(customer service satisfaction)	1	2	3	4	5	6	7
Cash flow	(or budget distribution)	1	2	3	4	5	6	7
Overall performance		1	2	3	4	5	6	7

(8) How would you describe your organisation's performance in these areas over the past two years? (again non-profit organisations should use the phrase in brackets)		*Getting a lot worse*						*Getting a lot better*
Sales	(or customer responses)	1	2	3	4	5	6	7
Sales growth	(or growth in customer responses)	1	2	3	4	5	6	7
Return on investment	(or budget allocation)	1	2	3	4	5	6	7
Profitability	(or valued by community)	1	2	3	4	5	6	7
Market share	(community penetration)	1	2	3	4	5	6	7
New products	(or service innovation)	1	2	3	4	5	6	7
Product quality	(customer satisfaction)	1	2	3	4	5	6	7
Service quality	(customer service satisfaction)	1	2	3	4	5	6	7
Cash flow	(or budget distribution)	1	2	3	4	5	6	7
Overall performance		1	2	3	4	5	6	7

(9) How well would you say the following paragraphs describe your company?	*Describes us very well*						*Not like us at all*
1. We locate and maintain a 'niche' in a relatively stable product area. Generally, we are not at the forefront of new product or market development, but concentrate on a limited range of products, doing the best job possible through quality, superior service, low prices, and so forth.	1	2	3	4	5	6	7
2. We make frequent changes in and additions to, our range of products or services. By responding rapidly to early signals of market needs or opportunities, we try to be 'first in' in new product and market areas, although we may not maintain market strength in all of the areas we enter.	1	2	3	4	5	6	7
3. We maintain a stable, limited line of products and services and simultaneously follow a selected, promising set of new developments in other areas. We are seldom 'first in' with new products, but may be 'second in' with a more cost effective or better conceived product.	1	2	3	4	5	6	7
4. We do not have a consistent product-market orientation. We are not aggressive in maintaining established products and markets, nor are we willing to take many risks, but we will change our product or service offerings when and where environmental pressures force us.	1	2	3	4	5	6	7

(10) The best description of our organisation is provided by:

Paragraph 1 [ ] Paragraph 2 [ ] Paragraph 3 [ ] Paragraph 4 [ ]

(11) The training and development we do in this organisation:	*Strongly disagree*						*Strongly agree*
Is of consistent quality	1	2	3	4	5	6	7
Has an acceptable standard of quality	1	2	3	4	5	6	7
Is economical	1	2	3	4	5	6	7
Is done consistently well	1	2	3	4	5	6	7
Is done at a reasonable cost	1	2	3	4	5	6	7
Is good value for money	1	2	3	4	5	6	7
Is well done	1	2	3	4	5	6	7
Has workplace outcomes that last a long time	1	2	3	4	5	6	7

Please indicate how strongly you agree or disagree with each of the following statements. If you strongly disagree, circle 1. If you strongly agree, circle 7. If your feelings are not so strong, circle an appropriate number in the middle. There are no right or wrong answers. Some of the statements are similar. This is necessary to properly measure your opinions and for no other purpose. There are no trick questions.

(12) In this organisation:	*Strongly disagree*						*Strongly agree*
There is open discussion and employees are encouraged to participate in decision making	1	2	3	4	5	6	7
There is an emphasis on excellence and quality outputs	1	2	3	4	5	6	7
Employees are empowered to act and take responsibility in their jobs	1	2	3	4	5	6	7
Our products and services are more innovative than those of our competitors	1	2	3	4	5	6	7
We are market oriented	1	2	3	4	5	6	7
The emphasis is on achieving predictable performance outcomes	1	2	3	4	5	6	7
There is an emphasis on human relations, teamwork and cohesion	1	2	3	4	5	6	7
Expansion, growth and development are encouraged	1	2	3	4	5	6	7
Control of management is centralised	1	2	3	4	5	6	7
We change products and services more than our competitors	1	2	3	4	5	6	7
Our employees are entrepreneurial and flexible, enabling change to be created	1	2	3	4	5	6	7
There is flexibility and decentralisation in management	1	2	3	4	5	6	7
There is an emphasis on creative problem-solving	1	2	3	4	5	6	7
Employee concerns and ideas are considered important	1	2	3	4	5	6	7
The focus is on goal and task accomplishment	1	2	3	4	5	6	7
We have a strong track record of profitability	1	2	3	4	5	6	7
We concentrate on developing new products, services and markets	1	2	3	4	5	6	7
Innovation, change and risk taking are important	1	2	3	4	5	6	7
We aggressively enter markets with new products and services	1	2	3	4	5	6	7
We try to develop our staff so they can achieve their potential	1	2	3	4	5	6	7
We are better technologists than we are marketers	1	2	3	4	5	6	7
We look after our employees very well	1	2	3	4	5	6	7
Our performance evaluation processes are participatory	1	2	3	4	5	6	7
We recruit and retain the people needed to develop new products, services and markets	1	2	3	4	5	6	7
Employees' job satisfaction is very good	1	2	3	4	5	6	7
We have a reputation for being innovative and creative	1	2	3	4	5	6	7
We monitor the marketplace to find changes and trends	1	2	3	4	5	6	7
Efficiency and productivity are important	1	2	3	4	5	6	7

Workplace safety is good	1	2	3	4	5	6	7
There are very few workplace grievances	1	2	3	4	5	6	7
We value diversity	1	2	3	4	5	6	7
Our performance evaluation processes are devolved to work units	1	2	3	4	5	6	7
We use competence based training in our work skills programs	1	2	3	4	5	6	7
We use competence based training in our management development programs	1	2	3	4	5	6	7
Employee turnover is low	1	2	3	4	5	6	7
We honour our commitments to staff	1	2	3	4	5	6	7
We have a strong track record of growth	1	2	3	4	5	6	7
We are generally very effective	1	2	3	4	5	6	7
Things generally run pretty well	1	2	3	4	5	6	7
We are good at developing our managers	1	2	3	4	5	6	7
We have very good training and development programs	1	2	3	4	5	6	7
We maintain continuity through strategic planning	1	2	3	4	5	6	7
We develop good long term relationships with suppliers	1	2	3	4	5	6	7
We ensure staff have appropriate knowledge	1	2	3	4	5	6	7
We honour our commitments to customers	1	2	3	4	5	6	7
Absenteeism is low	1	2	3	4	5	6	7

(13) The management culture of this organisation:	*Strongly disagree*						*Strongly agree*
Encourages continual individual growth	1	2	3	4	5	6	7
Values group reflection and discussion	1	2	3	4	5	6	7
Supports experimentation and risk taking	1	2	3	4	5	6	7
Values and uses localised knowledge within the organisation	1	2	3	4	5	6	7
Generates through groups, innovative systems and solution	1	2	3	4	5	6	7
Values diverse and conflicting perceptions of organisational issues	1	2	3	4	5	6	7
Invites suggestions of change to current organisational goals	1	2	3	4	5	6	7
Does include differing subgroups views within broad visions	1	2	3	4	5	6	7
Tolerates different approaches to organisational issues	1	2	3	4	5	6	7
When faced with conflict, negotiates to find new solutions	1	2	3	4	5	6	7
Is adaptive and flexible in restructuring to new situations	1	2	3	4	5	6	7
Uses self regulation as the basis for performance management	1	2	3	4	5	6	7
Recognises the interdependence of organisational sub systems	1	2	3	4	5	6	7
Encourages direction with positive feedback	1	2	3	4	5	6	7
Will seize on opportunities which may be contrary to current goals	1	2	3	4	5	6	7

(14) What percentage of your organisation's revenue or sales is spent on training and development in 1999?

1% or less [ ] 2% [ ] 3% [ ] 4% [ ] 5% or more [ ]

(15) What percentage of your organisation's staff was involved in training and development in 1999?

10% or less [ ] 20%[ ] 40%[ ] 60%[ ] 80% or more [ ]

(16) Frontline managers in this organisation:	*Strongly disagree*						*Strongly agree*
Manage their personal work priorities very well	1	2	3	4	5	6	7
Manage their professional development very well	1	2	3	4	5	6	7
Provide good leadership in the workplace	1	2	3	4	5	6	7
Establish effective workplace relationships	1	2	3	4	5	6	7
Manage effective workplace relationships	1	2	3	4	5	6	7
Participate well in work teams	1	2	3	4	5	6	7
Lead work teams well	1	2	3	4	5	6	7
Facilitate work teams well	1	2	3	4	5	6	7
Manage operations well to achieve planned outcomes	1	2	3	4	5	6	7
Manage workplace information	1	2	3	4	5	6	7
Manage customer service to achieve quality outcomes	1	2	3	4	5	6	7
Manage a safe workplace and environment	1	2	3	4	5	6	7
Manage continuous improvement systems and processes well	1	2	3	4	5	6	7
Facilitate change and innovation well	1	2	3	4	5	6	7
Capitalise well on change and innovation	1	2	3	4	5	6	7

(17) Have you heard of the FRONTLINE MANGEMENT INITIATIVE (or FMI)? Yes [ ] No [ ]

If no, thank you for your assistance with this project. Please return the questionnaire to the research team in the self-addressed, reply paid envelope and estimate the time taken to complete this form: [ ] minutes

If yes, how would you describe perceptions of this initiative?

_____

_____

_____

(18) Is your organisation involved in any way with the FRONTLINE MANGEMENT INITIATIVE (or FMI)? Yes [ ] No [ ]

If no, thank you for your assistance with this project. Please return the questionnaire to the research team in the self-addressed, reply paid envelope and estimate the time taken to complete this form: [ ] minutes

(19) Have you been:	Yes	No
Using the FMI competencies?	Y	N
Using the FMI training program?	Y	N
Using the FMI for less than year?	Y	N
Using the FMI for more than one year and less than two years?	Y	N
Using the FMI for more than two years?	Y	N
Accrediting your FMI managers with FMI certification?	Y	N
Using your own trainers for the FMI program?	Y	N
Using the FMI as part of your management development strategy?	Y	N
Using the FMI as part of your wider Human Resource development strategy?	Y	N
Using the FMI as part of an organisational development or change strategy?	Y	N
Linking the FMI to the organisation's business strategy?	Y	N

(20) As a result of being involved in the Frontline Management initiative, our frontline managers:	*Is a lot worse*						*Is a lot better*
Management of their personal work priorities	1	2	3	4	5	6	7
Management of their professional development	1	2	3	4	5	6	7
Leadership in the workplace	1	2	3	4	5	6	7
Establishment of workplace relationships	1	2	3	4	5	6	7
Manage workplace relationships	1	2	3	4	5	6	7
Participation in work teams	1	2	3	4	5	6	7
Leading of work teams	1	2	3	4	5	6	7
Facilitation of work teams	1	2	3	4	5	6	7
Management of operations to achieve planned outcomes	1	2	3	4	5	6	7
Management of workplace information	1	2	3	4	5	6	7
Management of customer service	1	2	3	4	5	6	7
Management of safety in the workplace and environment	1	2	3	4	5	6	7
Management of continuous improvement systems and processes	1	2	3	4	5	6	7
Facilitation of change and innovation	1	2	3	4	5	6	7
Capacity to capitalise on change and innovation	1	2	3	4	5	6	7

(21) The Frontline Management Initiative training we undertook (or are undertaking):	*Strongly disagree*						*Strongly agree*
Is of consistent quality	1	2	3	4	5	6	7
Has an acceptable standard of quality	1	2	3	4	5	6	7
Is economical	1	2	3	4	5	6	7
Is done consistently well	1	2	3	4	5	6	7
Is done at a reasonable cost	1	2	3	4	5	6	7
Is good value for money	1	2	3	4	5	6	7
Is well done							
Is a success	1	2	3	4	5	6	7
Has workplace outcomes that last a long time	1	2	3	4	5	6	7

(22) What do you feel are the principal results or business benefits of being involved with the FMI?

Appendix 4

Telephone interview protocol

Developing a database

Selection of telephone interviewees was based on the following networks:

- returns from the national survey where interest in the study was confirmed
- the database of Pearson Educational which indicated purchasers of FMI materials
- FMI users and extended network contacts from the focus groups
- current local business, academic and professional network contacts
- alumni and current students
- local Australian Institute of Training and Development (AITD) or Australian Human Resource Institute (AHRI) executives, activists and membership locally
- web-based searches of ANTA, NTIS and Prentice-Hall websites

Encouraging involvement

The rationale for encouraging involvement with the EFMI project was a variation of the following:

- At the individual level it provides the opportunity for guided reflection on the FMI implementation process.
- At the management level it provides the opportunity to be aware of national and international best practice by contact with the research team.
- At the management level it provides the opportunity to benefit from the emerging issues of the FMI evaluation through contact with the team and http://www-business.ecu.edu.au/efmi.
- At the business level involvement in a national project enhances the profile of the initiative and the organisation.
- At the wider social level it provides the opportunity for managers to have an influence on improving the framework of learning and development in Australian business.

Matrixing interviewee enterprises for sample distribution

Using the following matrix, each state attempted to gain a diverse spread of distribution of telephone interviews in terms of organisational size, location and industry sector.

FMI users/non-users/unaware	Large			Medium			Small		
	Urban	Rural	Remote	Urban	Rural	Remote	Urban	Rural	Remote
Agriculture, forestry and fishing									
Mining									
Manufacturing									
Electricity, gas and water supply									
Construction									
Wholesale trade									
Retail trade									
Accommodation, cafes, restaurants									
Transport and storage									
Communication services									
Finance and insurance									
Property and business services									
Education									
Health and community services									
Cultural and recreational services									
Personal and other services									

Telephone interview protocol

Based on the format below, three similar telephone interview protocols were developed for each of the three specific target groups. The questions were constructed primarily around the key research questions of the project and supplemented with data gained during the national survey and focus groups.

Training managers FMI users: telephone interview

- Briefly describe your business with some key facts.
- Give me a picture of how FMI started and where you have got to now.
- Tell me about the learning processes you use with the FMI.
- Would you say the FMI has been effective? And who for?
- How was the decision made to go for the FMI?
- What have been the issues with FMI so far?

Appendix 5

Case-study protocols

Factors shaping the case-study protocols

There are three issues that determine the broad shape of the protocols for this stage of the research.

✧ **The difficulty in obtaining robust financial measurements of business effectiveness**

In many cases such data may be manufactured more as a strategic ploy, rather than presenting an accurate picture of performance. In some cases commercial confidentiality precluded accessing the entire business picture. Even where data were available, the multiplicity of format and ratios involved may preclude any meaningful comparisons being made. The decision of this team is that while attempts will be made to acquire supporting documentation and records concerning financial and business performance, the primary source of evidence will be the self-reporting of senior managers as research confirms the validity of such responses.

✧ **The diverse landscape of FMI practice**

The data-collection process needs to be broadly framed so that it can reflect this diversity. A limited number of open questions to gather enterprise stories and enable participants to express the context of FMI in their own organisation rather than respond to a predetermined framework is necessary. The protocols will be fully developed to brief interviewers concerning the breadth of possible responses, and to provide suitable interviewee prompts to increase the reliability of the instrument. The intention is that this framework will be driven by interviewee responses.

✧ **The extent to which causality should play a central role during this phase**

The emphasis of the protocols that follow is primarily towards a more open approach to investigate trends in difference. Only at a later stage will participants be prompted to discuss the effectiveness of the FMI and the extent to which the FMI has been instrumental in such difference. Internally each organisational situation is different and consists of a complex interaction of relationships providing a host of intertwined stimuli and variables. In addition, each organisation is an open system, interacting with an environment that is similarly changing. The emphasis in this evidence-gathering will therefore be directed towards identifying the complex and perhaps chaotic relationships that exist between the FMI and organisations rather than focussing on the strength of the causal chain. Such cause-and-effect relationships may not be so simply explained by the single variable of the FMI but require evidence from a wider organisational and environmental framework to be considered at the analysis stage.

Clarifying the meaning of organisation and business

The team recognised that the use of 'organisation' and 'business' in the research questions raised issues of research reliability in the complex area of the causal chain. The team had in-depth telephone discussions to ensure that the group shared the same meaning of the terms in case-study questions, and that the interview prompts enabled each researcher to clarify meaning with interviewees.

Subsequent team briefings further emphasised that business impact might be probed through exploring the extent of the causal chain. There is evidence to suggest that moving from organisational impact to business impact can be made through a smaller series of links that begin with difference, move to improvement and then attempt to identify causes and weight.

The case-study instruments

The primary thrust of the data collection is in-depth recorded interviews with multiple personnel within the same enterprise. Observation and record scanning is also used to develop triangulation of evidence by providing supporting or contrary evidence.

The questions are divided into five differing protocols for the four different interviewee types. It is necessary to structure the protocols so that different emphasis is placed on the interview, depending on the specialist knowledges of each of the interview participants, such as knowledge of financial data or experience as a FMI participant. Decisions had to be made between preserving the uniformity of the protocols and targetting the specialist knowledges of the participants.

It was necessary to maintain some consistency in the question areas to assist the later analysis phase and provide the option of different perspectives, on similar issues, providing supporting or contrary evidence. The case-study narratives use the case-study questions as the basic template.

The questions are clustered so that there are few lead questions, but a range of prompts for interviewees. The intention is that only the lead questions would be used by each interviewer. The subsidiary questions are there to act as a monitoring guide for the direction of the interviewee's response, and as secondary prompts. The protocols were amended following a team telephone conference to reflect the issues raised about subordinates, organisational culture, and the first focus group questions.

Senior manager interview protocol

The example that follows is just one of the five similar protocols.

1: Can you briefly describe your role and background in the organisation?

2: Why did you get involved with the FMI?

- ✧ Why do you think your organisation got involved?
- ✧ Could you briefly describe your involvement with FMI and the learning processes that have developed within the enterprise?
- ✧ How did you hear about FMI, and what drove the adoption of the FMI?
- ✧ What FMI training and assessment activity is there your organisation?
- ✧ Is the FMI as you expected? what is different?

3: What is different about individual managers since FMI?

- ✧ What management skills have they developed? How are they better?
- ✧ What could be the reason for the difference
- ✧ How responsible do you believe the FMI is for the difference?
- ✧ Are they developing the 'right skills'?

4: What is different about the organisation since FMI?

- ✧ What has changed for the better in your organisation since FMI?
- ✧ What could be the reason for the difference?
- ✧ How responsible do you believe the FMI is for the differences?
- ✧ Are you developing the 'right culture'?

5: What is different about the business since FMI?

- ✧ Is there a difference? In sales, service, production, profit or customer satisfaction?
- ✧ Have there been bottom-line changes
- ✧ What could be the reason for this difference?
- ✧ How responsible do you believe the FMI is for the difference?
- ✧ Are these 'good' changes for the business?

6: Has the FMI has been effective? Who for, and how do we know?

- ✧ What concrete examples are there of the impact of the FMI, making people, the organisation and the business more effective?
- ✧ Are your managers, more effective? How much?
- ✧ Are the organisation and organisational culture more effective? How much?
- ✧ Is the FMI making the business measurably more effective in any way? How much?

7: Has FMI been linked to the way the business wants to go in the future?

- ✧ Is there an organisational strategy?
- ✧ Is the organisations strategy linked to the HR strategy and how?
- ✧ Are FMI projects linked to organisational strategy?

8: What is the greatest impact from the FMI on you, the organisation, and the business?

9: What additional impact would you have liked from the FMI, and how could the FMI have done this?

This is a reduced protocol for publication purposes. The research protocol used in the study contained greater detail of participant prompts and ranges of evidence examples.

Rationale for key questions—clustering areas to meet objectives

Questions one and two provide a basic context and interviewee initiation. They should be brief and data collected from two sources about the enterprise may be sufficient.

Questions three, four and five prompt the participants to reflect on recent changes in individuals, the organisation and the business. At the end of each question the issue of FMI causality, and strategic direction is raised as a prompt.

Question six is the core and pivotal question. It focusses on concrete examples of measurable change in effectiveness at the individual, organisational and business levels.

Question seven focusses on examining the strength of the relationship between the FMI and strategic orientation.

Question eight returns to reflection on the most significant FMI impact, the inputs for such return and the extent to which it has been a catalyst for change.

Question nine finally asks for the difference between expectations and the reality, what should be changed and what the difference would have been if FMI had not happened.

Record-scanning schedule: Availability and exclusivity

This schedule is used to both stimulate interviewer thinking before approaching the organisation and as a recording format for the observed evidence that concerns the FMI and the enterprise effectiveness. Interviewers were often able to access enterprise data concerning the FMI within the company, and the links to HR or company strategy. Company reports, publicity and participant handouts were often available. Perhaps most importantly, access to harder data concerning the business financial trends, or HR performance measures were sometimes available.The following matrix is designed to act as a protocol for report evidence collection by indicating both the type of evidence that is acquired, and the 'degree' of its visibility within and outside the organisation.

Organisation code:

Dates of interviews:

Possible records >	**Business effectiveness, financial trends**	**HRD company and HRD strategy**	**FMI policy visibility, customisation**	**FMI operations, meeting groups**	**Attendance, performance review**	**Tenure, promotion, succession**	**Health & safety**
Access level:							
Managerial level							
Training level							
Frontline management level							
Organisational display							
Public display							

Observation schedule: Interviewees and environment

This schedule is provided to both stimulate interviewer thinking before approaching the organisation and as a recording format for the observed evidence that concerns the FMI and the enterprise effectiveness. This schedule is used for each series of interviews in an enterprise to illustrate the organisational culture in relationship to the FMI. Interviewers could be aware of evidence from body language and workplace environment which contributes to the data-collection process, and may be used in the analysis phase.

This matrix prompts the interviewer to record observational data concerning interviewees and colleagues as individuals, or where possible as groups. The structure of the workplace and the displayed data in the workplace environment may also indicate management and organisational cultural issues. Finally, organisational displays may formally indicate the role of the FMI in developing learning or business effectiveness.

Again each of these observations may indicate specific areas of organisational culture, such as motivation, levels of interaction, diversity, management learning or strategic integration. The vertical axis provides a basic framework for recording what the observation illustrates about the organisation.

Organisation code:

Dates of interviews:

Observation >	**Interviewee**	**Individuals**	**Group interaction**	**Physical layout**	**Physical surrounding**	**Organis-ational displays**	**Business displays**
Possible cues >	Face, eyes, dress, body, proximity *At interview*	Face, eyes, dress, body, proximity *In workplace*	Dialogue, instruction, interaction	Inclusive, exclusive	Signage, inclusive, exclusive	Internal influence of FMI as a learning tool	Influence of FMI as a commercial developer
Evidence of:							
Organisation culture–general							
Motivational levels							
Workplace interaction							
Workplace diversity							
Training culture							
Man. dev. culture							
Strategic integration							

Selection of case studies

Aim of the case studies

This section considers the critical issue of the case-selection process. The team increasingly recognised the diversity of the FMI in practice. The evidence from the broad survey, focus groups and telephone interviews emphasised the key issues the case-study research phase should explore. The case studies are therefore selected for their ability to collect diverse evidence concerning the impact of FMI and the strength of the causal chain as detailed in the project aims.

- ✧ Following the telephone interviews, each state indicated the current targets for case studies.
- ✧ The following matrix provides a broad map of the diversity of both enterprise types and FMI practices. Each potential case-study site is assessed against the criteria and mapped for inclusion as one of the final case studies.
- ✧ As each case is confirmed, the character of FMI in that company is mapped on the matrix to fine-tune the remaining case selection. Time and access will limit this final selection.

Criteria matrix for assessing the diversity of potential case studies

The potential cases were mapped according to their enterprise and FMI characteristics. The criteria used are as follows.

Enterprise characteristics

- ✧ industry sector
- ✧ size
- ✧ location
- ✧ number of sites
- ✧ percentage of workforce employed

FMI adoption characteristics

- FMI participant numbers
- FMI numbers as percentage of workforce employed
- strength of FMI strategy
- years of the FMI
- management development history
- strong CBT history
- direct FMI management
- sole provider or assessor
- private or public provider
- standards customised
- online FMI support
- group learning processes
- on-site learning
- in-house mentors/coaches
- voluntary joint nomination
- active strategic projects
- self-paced approach.

Selection criteria for participants in case studies

The aim of the team was to access the following enterprise personnel:

- the most senior HR/training people development manager at FMI policy-level within the enterprise, preferably with an understanding of the company's current business position and trends
- the most senior manager within the enterprise with staff undergoing FMI, and with knowledge of current enterprise effectiveness, performance monitoring and with an understanding of the company's current business position and trends
- a cluster of participants who display diversity in the following characteristics: managerial level, aspirations, gender, work experience, education, training experience, primary language
- one of the participant's subordinates. This is be the most difficult interview as the interviewee is in a dependent relationship with the other managers. The selection of this person is done by negotiation with one of the FMI managers, and by asking who will give a direct 'warts and all' shop floor assessment.

The final selection is guided by the initial enterprise contact, who is given a copy of these criteria. The ethical issues that arise during in-enterprise participant selection where staff are in managerially dependent relationships are considered by the team, and all participants are made aware that they can withdraw from the research with the standard signed release form.

Appendix 6

Selected broad survey responses

First random survey

This first series of tabulated responses has been compiled from the initial random sampling survey that was sent to 2834 enterprises nationwide and is based on the responses from those organisations. The usable return sample consisted mainly of enterprises unaware of the FMI with about one-third aware of the FMI and 12% of that group using the FMI.

Note that tables prefixed by the letter 'Q' refer to the specific question in the survey; not all questions are covered in this section.

Table 9: First random survey

	Forms	RTS	Refused	Returned	A	B	C
Mail-out	2834	75	11				
Nos. reaching intended destination	2748			334	221	73	40
Percentages	96.96	2.65	.388	12.15	8.04	2.65	1.45
Return %				100.00	66.16	21.85	12.00

RTS = returned to sender
A: non-FMI user
B: non-user (aware of the FMI)
C: FMI user

Table Q1[1]: Number of employees, by percentage

No. employees	Respondent type		
	Not aware, don't use %	Aware, don't use %	Users %
50 or less	30.3	13.7	7.5
51–100	16.7	4.1	2.5
101–500	28.1	31.5	15.0
501–1000	10.0	24.7	30.0
More than 1000	14.5	26.0	45.0

[1] Tables refer to specific questions; not all questions are covered in this section.

Table Q2: Number of frontline managers, by percentage

No. frontline managers	Respondent type		
	Not aware, don't use %	Aware, don't use %	Users %
10 or less	48.0	21.9	10.0
11–20	21.3	15.1	7.5
21–50	13.6	26.0	32.5
51–100	5.9	13.7	17.5
More than 100	11.3	23.3	32.5

Table Q3: Enterprise annual turnover, by percentage

Annual turnover	Respondent type		
	Not aware, don't use %	Aware, don't use %	Users %
Less than $1m	9.8	4.3	2.6
$1m–$10m	26.5	17.1	5.1
$11–$50m	27.9	18.6	12.8
$50m–$100m	7.0	20.0	12.8
More than $100m	28.8	40.0	66.7

Table Q4: Industry category, by percentage

Industry classification	Respondent type		
	Not aware, don't use %	Aware, don't use %	Users %
Agriculture, forestry & training	1.4	4.2	7.7
Mining	1.4	6.9	12.8
Manufacturing	21.0	23.6	20.5
Electricity, gas & water supply	3.2	4.2	5.1
Construction	8.2	2.8	5.1
Wholesale trade	7.3	4.2	5.1
Retail trade	6.8	6.9	
Accommodation, cafes & restaurants	2.3	1.4	7.7
Transport & storage	3.7	4.2	2.6
Communication services	5.5	2.8	2.6
Finance & insurance	7.8	6.9	7.7
Property & business services	4.6	4.2	5.1
Education	3.7	1.4	7.7
Health & community services	12.8	11.1	5.1
Cultural & recreational services	3.2	2.8	2.6
Personal & other services	7.3	12.5	2.6

The 332 enterprises who responded to the survey were asked to indicate in which states and territories they operated. Most indicated operations in more than one state.

The numbers in table Q5 indicate the raw score in each state. A percentage is then given to indicate the relationship between the raw score and the column total. A comparison of the percentages for each row indicates the extent to which each territory and state mirrors the national map for FMI usage.

Table Q5: State location

State	Not aware		Aware		Users		All responses	
	Number	%	Number	%	Number	%	Number	%
ACT	19	8.7	4	5.5	2	5.0	25	7.5
SA	37	16.9	16	21.9	7	17.5	60	18.1
NSW	84	38.4	24	32.9	15	37.5	123	37.0
Tas	13	5.9	6	8.2	2	5.0	21	6.3
NT	17	7.8	6	8.2	3	7.5	26	7.8
Vic	72	32.9	29	39.7	14	35.0	115	34.6
Qld	52	23.7	23	31.7	7	17.5	82	24.7
WA	59	26.9	17	23.3	10	25.0	86	25.9
Enterprises responding	219		73		40		332	
Total enterprise responses %	66		22		12		100	

Table Q6: Geographical location, by percentage

Operational area	Respondent type		
	Not aware, don't use %	Aware, don't use %	Users %
Metropolitan area	72.4	19.8	7.8
Rural areas	65.6	12.5	21.9
Metro and rural areas	58.8	27.1	14.1

First and second survey combined results

Comparison between user and non-user groups

Evidence from the first and second surveys

This second series of tabulated responses has been compiled from the initial random sampling survey and a second survey which targetted FMI users. The initial random survey obtained more than 300 useable responses. However, there was a lower response from FMI users than had been anticipated. The initial returns were sufficient for an analysis of national patterns, but did not provide sufficient numbers of responses for a comparison to be made between FMI users, those aware of the FMI and non-users. A second mail-out was made to known FMI users and these returns provided sufficient FMI users to undertake a comparative analysis, with over 400 useable returns. We would like to specifically thank Pearson Education for their assistance in this research process.

Table 10: Second survey

	Forms	RTS	Refused	Returned	A	B	C
Mail-out	634	40	3				
Nos. reaching intended destination	591			74	4	12	58
Percentages	93.22	6.3	.473	12.52	5.40	2.03	9.81
Return %				100.00	66.16	16.20	78.30

RTS = returned to sender
A: non-FMI user
B: non-user (aware of the FMI)
C: FMI user

Table 11: First and second surveys combined

	Forms	RTS	Refused	Returned	A	B	C
Mailout	3468	115	14				
Nos. reaching intended destination	3339			408	229	85	98
Percentages	96.2	3.3	.403	12.20	6.80	1.73	2.93
Return %				100.00	56.12	20.80	24.00

RTS = returned to sender
A: non-FMI user
B: non-user (aware of the FMI)
C: FMI user

Table Q7: Past performance

	Not aware, don't use	Aware, don't use	Users	
	Mean	Mean	Mean	
Sales	5.19	5.41	5.07	
Sales growth	4.93	5.10	4.82	
ROI	4.58	4.80	4.42	
Profitability	4.81	5.03	4.87	
Market share	4.96	5.25	5.03	
New products	4.67	4.79	4.50	
Product quality	5.69	5.78	5.21	***
Service quality	5.60	5.58	5.26	*
Cash flow	4.91	5.01	4.64	
Overall performance	5.20	5.30	5.06	

1 = very poor; 7 = very good
* significant difference observed at the 0.05 level
*** significant difference observed at the 0.001 level

Table Q8: Performance in last two years

	Not aware, don't use	Aware, don't use	Users
	Mean	Mean	Mean
Sales	5.08	4.96	4.96
Sales growth	5.03	4.96	4.87
ROI	4.70	4.68	4.63
Profitability	4.87	4.91	4.83
Market share	4.94	5.01	5.13
New products	4.88	4.85	4.83
Product quality	5.40	5.26	5.30
Service quality	5.38	5.21	5.19
Cash flow	4.90	4.94	4.77
Overall performance	5.12	5.16	5.13

1 = worse; 7 = better

Table Q9: Market orientation

	Not aware, don't use	Aware, don't use	Users
	Mean	Mean	Mean
Stable product area, maintain niche, limited range of products	4.08	3.74	3.72
Frequent changes, first in product/market development	3.86	3.88	3.85
Stable, limited line with selected new developments, second in	3.82	4.04	3.69
Not risk-takers, change when environmental pressure forces it	2.64	2.73	2.64

Table Q11: Training and development (T&D)

	Not aware, don't use	Aware, don't use	Users	
	Mean	Mean	Mean	
T&D of consistent quality	4.52	4.67	4.94	*
T&D of acceptable standard of quality	4.90	4.89	5.25	
T&D economical	4.90	5.18	4.85	
T&D done consistently well	4.61	4.86	4.80	
T&D done at a reasonable cost	4.97	5.36	4.95	*
T&D good value for money	5.00	5.28	5.22	
T&D well done	4.87	5.10	5.10	
T&D has workplace outcomes that last a long time	4.69	4.63	4.84	

1 = strongly disagree; 7 = strongly agree
* significant difference observed at the 0.05 level

Table Q12: In this organisation

	Not aware, don't use	Aware, don't use	Users	
	Mean	Mean	Mean	
There is open discussion and employees are encouraged to participate in decision-making	4.68	4.51	4.58	
Employees are empowered to act and take responsibility in their jobs	5.04	4.75	4.52	**
We are market-oriented	5.20	5.36	4.81	*
The focus is on goal and task accomplishment	5.42	5.62	5.48	
We have a strong track record of profitability	4.66	5.06	4.74	
We try to develop our staff so they can achieve their potential	5.19	5.04	5.36	
We are better technologists than we are marketers	4.38	4.49	4.47	
Our performance evaluation processes are participatory	4.64	5.03	4.94	
Efficiency and productivity are important	5.75	5.67	5.69	
We value diversity	5.09	4.77	4.95	
Our performance evaluation processes are devolved to work units	4.23	4.95	4.94	***
We use competence-based training in our work skills programs	4.38	5.15	5.65	***
We use competence-based training in our management development programs	4.13	4.11	5.18	***
We honour our commitments to staff	5.45	5.08	4.85	**
We are generally very effective	5.39	5.36	5.03	*
Things generally run pretty well	5.26	5.38	4.84	**
We are good at developing our managers	4.54	4.22	4.05	*
We have very good training and development programs	4.31	4.42	5.06	***
We develop good long-term relationships with suppliers	5.68	5.52	5.26	**
We honour our commitments to customers	5.85	5.85	5.46	**

1 = strongly disagree; 7 = strongly agree

Note: Questions 2, 4–13, 16–18, 21, 23–26, 28–29 not significant.
* significant difference observed at the 0.05 level
** significant difference observed at the 0.01 level
*** significant difference observed at the 0.001 level

Table Q13: Management culture

	Not aware, don't use	Aware, don't use	Users	
	Mean	Mean	Mean	
Encourages continual individual growth	5.03	4.82	4.89	
Values group reflection and discussion	4.82	4.42	4.46	*
Supports experimentation and risk taking	4.24	4.16	4.16	
Values and uses localised knowledge within the organisation	5.32	5.18	4.95	*
Generates through groups, innovative systems and solutions	4.54	4.08	4.50	
Values diverse and conflicting perceptions of organisational issues	4.43	3.97	4.15	*
Invites suggestions of change to current organisational goals	4.60	4.52	4.65	
Does include differing subgroups' views within broad visions	4.38	4.32	4.51	
Tolerates different approaches to organisational issues	4.51	4.44	4.59	
When faced with conflict, negotiates to find new solutions	5.10	4.73	4.82	*

1 = strongly disagree; 7 = strongly agree

Note: Questions 11–15 not significant.
* significant difference observed at the 0.05 level

Table Q14: Percentage of revenue spent on training and development (T&D) in 1999

Percentage of revenue spent on T&D	Not aware, don't use	Aware, don't use	Users
	%	%	%
1% or less	45.5	27.9	37.5
2%	27.7	39.7	29.2
3%	13.6	8.8	10.4
4%	3.3	10.3	9.4
5% or more	9.9	13.2	13.5

Table Q15: Percentage of staff involved in T&D in 1999

Percentage of org. staff involved in T&D	Not aware, don't use	Aware, don't use	Users
	%	%	%
10% or less	30.7	16.9	11.0
20%	22.2	12.7	11.0
40%	15.6	21.1	19.8
60%	18.4	26.8	35.2
80% or more	13.2	22.5	23.1

Table Q16: Frontline managers

Characteristics	Respondent type			
	Not aware, don't use	Aware, don't use	Users	
	Mean	*Mean*	*Mean*	
Manage their personal work priorities very well	4.91	4.52	4.36	***
Manage their professional development very well	4.34	3.88	3.88	**
Provide good leadership in the workplace	4.80	4.56	4.47	
Establish effective workplace relationships	4.93	4.89	4.72	
Manage effective workplace relationships	4.83	4.77	4.59	
Participate well in work teams	4.94	4.59	4.67	
Lead work teams well	4.80	4.45	4.54	
Facilitate work teams well	4.70	4.26	4.23	*
Manage operations well to achieve planned outcomes	5.11	5.23	4.99	
Manage workplace information	4.69	4.34	4.41	
Manage customer service to achieve quality outcomes	5.34	5.08	4.91	*
Manage a safe workplace and environment	5.51	5.12	5.33	
Manage continuous improvement systems and processes well	4.62	4.40	4.45	
Facilitate change and innovation well	4.46	4.10	3.96	**
Capitalise well on change and innovation	4.47	3.99	3.89	***

1 = strongly disagree; 7 = strongly agree
* significant difference observed at the 0.05 level
** significant difference observed at the 0.01 level
*** significant difference observed at the 0.001 level

FMI questions—users only

Table Q19: FMI usage

Have you been ...	Yes	No
	%	%
Using the FMI competencies?	88.5	11.5
Using the FMI training program?	78.9	21.1
Using the FMI for less than year	54.3	45.7
Using the FMI for more than one year and less than two years	27.5	72.5
Using the FMI for more than two years	22.1	77.9
Accrediting your FMI managers with FMI certification?	69.1	30.9
Using your own trainers for the FMI program?	46.2	53.8
Using the FMI as part of your management development strategy?	87.2	12.8
Using the FMI as part of your wider human resource development strategy?	72.6	27.4
Using the FMI as part of an organisational development or change strategy?	60.6	39.4
Linking the FMI to the organisation's business strategy?	63.8	36.2

Table Q20: As a result of being involved in the FMI, our frontline managers[1]:

Characteristics	Mean
Management of their personal work priorities	5.00
Management of their professional development	5.03
Leadership in the workplace	4.97
Establishment of workplace relationships	4.89
Manage workplace relationships	4.93
Participation in work teams	5.00
Leading of work teams	5.00
Facilitation of work teams	4.99
Management of operations to achieve planned outcomes	5.01
Management of workplace information	4.81
Management of customer service	4.93
Management of safety in the workplace and environment	5.23
Management of continuous improvement systems and processes	4.89
Facilitation of change and innovation	4.78
Capacity to capitalise on change and innovation	4.64

1 = is a lot worse; 7 = is a lot better

Table Q21: The FMI training we undertook

Characteristics	Mean
Is of consistent quality	5.05
Has an acceptable standard of quality	5.23
Is economical	4.94
Is done consistently well	5.03
Is done at a reasonable cost	4.97
Is good value for money	5.12
Is well done	5.04
Is a success	4.92
Has workplace outcomes that last a long time	4.88

1 = strongly disagree; 7 = strongly agree

Sample characteristics of user/non-user groups

Evidence from the first and second surveys

The second survey increased the data available to characterise the difference between non-users, those aware and the user group. The following tables illustrate those characteristics and differences. However unlike the previous tables from the first random sample, these findings are based on the responses from the first random sample survey and the second targetted sample survey.

Table Q1: How many employees in organisation (by percentage)?

No. employees	Not aware, don't use	Aware, don't use	Users
	%	%	%
50 or less	30.3	13.7	13.3
51–100	16.7	4.1	5.1
101–500	28.5	31.5	18.4
501–1000	10.0	24.7	21.4
More than 1000	14.5	26.0	41.8

Table Q2: How many frontline managers in organisation (by percentage)?

No. frontline managers	Not aware, don't use	Aware, don't use	Users
	%	%	%
10 or less	48.0	21.9	17.3
11–20	21.3	15.1	7.1
21–50	13.6	26.0	27.6
51–100	5.9	13.7	18.4
More than 100	11.3	23.3	29.6

Table Q3: What was organisation's annual turnover or budget in the last financial year (by percentage)?

Annual turnover	Not aware, don't use	Aware, don't use	Users
	%	%	%
Less than $1m	9.8	4.3	10.3
$1m–$10m	26.5	17.1	6.2
$11–$50m	27.9	18.6	17.5
$50m–$100m	7.0	20.0	14.4
More than $100m	28.8	40.0	51.5

Table Q4: Which industry, business or service classification best reflects your organisation (by percentage)?

	Not aware, don't use		Aware, don't use		Users	
	%	No. of responses	%	No. of responses	%	No. of responses
Agriculture, forestry & training	1.4	3	4.2	3	5.2	5
Mining	1.4	3	6.9	5	9.4	9
Manufacturing	21.0	46	23.6	17	16.7	16
Electricity, gas & water supply	3.2	7	4.2	3	4.2	4
Construction	8.2	18	2.8	2	4.2	4
Wholesale trade	7.3	16	4.2	3	3.1	3
Retail trade	6.8	15	6.9	5	2.1	2
Accommodation, cafes & restaurants	2.3	5	1.4	1	7.3	7
Transport & storage	3.7	8	4.2	3	2.1	2
Communication services	5.5	12	2.8	2	2.1	2
Finance & insurance	7.8	17	6.9	5	6.3	6
Property & business services	4.6	10	4.2	3	4.2	4
Education	3.7	8	1.4	1	17.7	17
Health & community services	12.8	28	11.1	8	10.4	10
Cultural & recreational services	3.2	7	2.8	2	2.1	2
Personal & other services	7.3	16	12.5	9	3.1	3

Table Q6: Location of operations, by percentage

Operational area	Not aware, don't use	Aware, don't use	Users
	%	%	%
Metropolitan area	41.0	31.5	23.5
Rural areas	10.2	5.5	17.3
Metro and rural areas	48.8	63.0	59.2

Appendix 7

Telephone interview responses

The telephone survey was undertaken independently in five states using the same protocol. The number of each type of enterprise selected, users, non-users and those aware of the FMI, were predetermined. The sizes of the enterprises, the locations and industry types were open fields, and each research team was asked to produce a breadth of sample enterprises from the positive contacts made, and within the constraints of the resources available.

Table 12: Enterprises selected for telephone interviews

Industry classifications	Large			Medium			Small		
	Urban	Rural	Remote	Urban	Rural	Remote	Urban	Rural	Remote
Agriculture, forestry and fishing	1U	2U 1A	1U	1N					
Mining	1U 1A 1N	2U			1U 1A	1U			
Manufacturing	8U 2A 1N	6U 2A 1N	1U 1A	1U 1N	1U 1A 1N		2U 2N		
Electricity, gas and water supply	4U	1A							
Construction	1U			1U 1A					
Wholesale trade	1U			1U 1N			1N		
Retail trade	3U 1A			1U 1N	1N				
Accommodation, cafes, restaurants	1U 1A			1U	1A				
Transport and storage	1U 1A	2U		1U	2U 1N		1U		
Communication services	1U			1A					
Finance and insurance	1U 1A 1N						1N		
Property and business services	1U 1A			1U 1N			1N		
Education	6U 1A			1A			2U	1N	
Health and community services	9U 3A 1N	3U		1N			1U	1N	
Cultural and recreational services	1A			1U					
Personal and other services	1U						1A		

U = FMI Users
A = non-users, aware of FMI
N = non-users, not aware of FMI

Appendix 8

Case-study matrix for impact rating

The matrix on the following page was used to rate the impact of the FMI according to the four areas of the research questions and the causal chain.

Ratings were used to search for patterns of impact according to enterprise characteristics and local FMI practices.

Ratings are not presented in this document in order to preserve the assurances of confidentiality that were given to enterprises by the research team.

The ratings were used to search for patterns within the qualitative data, and although subjective, provided a mechanism for the initial exploration of the very extensive and diverse data collected from the case-study sites.

Rating scale	Individual impact	Organisational impact	Business impact	Strategic intent
10 A great deal of impact	Significant improvement in individual management effectiveness in all participants	Significant improvement in organisational effectiveness in all areas with FMI participants	Significant improvement in business performance with direct attribution to the FMI	Significant stated intent and evidenced practice of an alignment for FMI with HRD/HR/Co strategies
9				
8				
7	Significant improvement in individual management effectiveness in most participants	Significant improvement in organisational effectiveness in most areas with FMI participants	Significant improvement in business performance with some strong attribution to the FMI	Significant stated intent or evidenced practice of some alignment for FMI with HRD/HR/Co strategies
6				
5	Some improvement in individual management effectiveness in many participants	Some improvement in organisational effectiveness in many areas with FMI participants	Some improvement in business performance with some attribution to the FMI	Some sporadic stated intent or evidenced practice of alignment of FMI with HRD/HR/Co strategies
4				
3				
2	Limited improvement in individual management effectiveness in a few participants	Limited improvement in organisational effectiveness in areas with FMI participants	Limited improvement in business performance with limited attribution to the FMI	Limited and sporadic stated intents or evidenced practice of alignment of FMI with HRD/HR/Co strategies
1				
0 No impact at all	No improvement in individual management effectiveness with any participants (or regression)	No improvement in organisational effectiveness in any area with FMI participants (or regression)	No improvement in business performance with no impact of FMI (regression)	No stated intent or evidenced practice of any alignment of FMI with HRD/HR/Co strategies

Appendix 9

'Investing in Change'—business performance improvement

This appendix attempts to draft the outline of a mechanism that might be used to develop enterprise capability. While the FMI has begun to change many enterprises from training towards learning, reinforcing the importance of this movement to stakeholders is critical to supporting changes in organisational culture that will promote innovation and inclusion. What is required is a mechanism that will place the relationship between capability building and improved business effectiveness firmly on enterprise agendas, and at the front of CEO thinking and action.

The FMI has been the learning tool that many training and learning professionals required. It has enabled a change in learning relationships to develop through workplace-based negotiation providing business benefits. However, standing alone within the organisation, the FMI is just the beginning of a culture change. This appendix provides some ideas for a framework that might be used to underpin and generate far broader capability building within Australian business.

Linking people development with business development

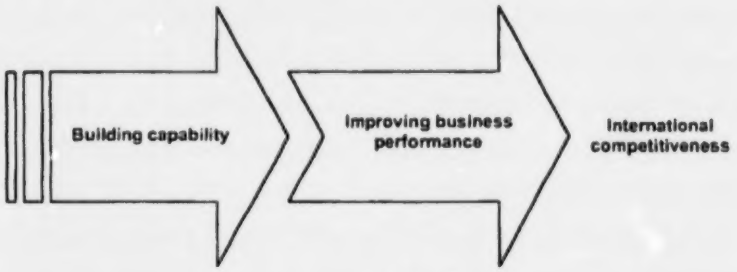
The problem

The Karpin report indicated that, within our knowledge-based economy, there is an increasing link between the development of people within organisations and the business growth of those organisations. The evidence from this study suggests that investment in learning is often ignored, outsourced, or undertaken on an ad hoc basis. Future prosperity may depend on the extent to which senior managers recognise, and invest in, the link between people development and business development. They will need to place such activity high on the organisational agenda, valuing their people, workplace learning and innovative work communities. Organisations will need a greater commitment to investing in learning than has been evident from this study; they will also need more senior managers who see people development as a core business issue. While an agency to promote more effective frontline management development is an initial step towards generating workplace learning, there is a need for a broader framework that can encourage investment in people development and capability building.

A response

A response to this problem is the development of an overarching national framework of competency-based standards for investing in learning and business development. This framework would focus on pivotal individuals and critical systems for high leverage, encouraging an investment in learning and capability building, with awards and incentives. The present study has demonstrated ways in which the FMI is a high-leverage initiative: it has a cross-industry framework, focusses on pivotal personnel and generates internal frameworks and changes in values. The proposed framework could build on these developments, underpinning the Karpin Committee's recommendations for increasing competitiveness.

Model for increasing international competitiveness



There would be added advantage if such an initiative could be strategically 'bundled' with broader government initiatives to improve business competitiveness. The UK white papers of 1994 and 1996 (*Competitiveness: helping business to win*) provide an example of such an approach.

Investing in change standards—business performance improvement

Linking business development with people development

The purpose

'Investing in change' would provide a program for Australian business to encourage a strategic investment in organisational change through people development.

The aim

The aim of the program would be to promote effective business and organisational development through strategic HRD processes. The program would renew the focus on the relationship between an investment in learning and improvement in business performance. Government seed funding could promote industry investment in this approach to business development and growth.

The outcomes

The outcomes of the program would be:

- ✧ business growth for participating businesses
- ✧ a framework of standards
- ✧ senior mangers refocussing on strategic investment for change
- ✧ establishing and disseminating best-practice models
- ✧ strategic support for lifelong manager development in the workplace
- ✧ supportive networks of strategically orientated HRD practitioners
- ✧ business accepting the need to invest in workplace learning
- ✧ the development of a network of consultants with practical expertise.

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Funding

This initiative could be supported and underpinned by government incentives. Organisations that committed to Investing in Change might benefit from eligibility for funding to monitor and develop their HRD strategies and practice towards Investor in Change standards. Investors that demonstrated and generated the standards could benefit from the award of public certification and might benefit from tax breaks linked to continued re-investment.

Such an initiative would be closely aligned with any agency for the FMI or management development standards.

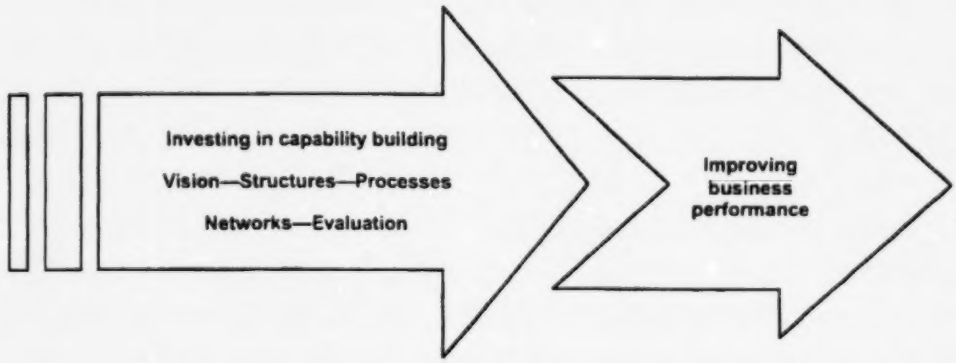
Structure

The program could be based on five levers for change, which would be further developed through industry consultation.

Five levers for change:

- **Vision:** creating, and promoting a vision of learning as a core business function
- **Structures:** making the values and practices of workplace learning part of the culture
- **Processes:** developing processes that facilitate workplace learning activity
- **Network:** developing strategic support systems that underpin workplace learning
- **Evaluation:** integrating program monitoring as part of the development process

Investing in building capability through workplace learning



The consultancy process

The standards would be scoped and mapped through industry consultation with leading-edge HRD practitioners. A set of criteria for assessors would be developed and state authorities would select a group of high-quality assessors. This group would offer formative assessment and action plans, and summative assessment consultancy services to organisations. It might be appropriate for ANTA to be the final awarding and certification authority. The consultancy process would be seed-funded through associated tax breaks, encouraging investment in the activity and the seeking of the award. State and national annual publicity could be developed for the awards, with competitive awards for excellence.

Capability-building architecture

The framework would be geared towards the components identified as pivotal capability-building architecture for business performance improvement. A draft framework for organisational competencies standards for monitoring and assessment purposes would be developed through stakeholder consultation. The framework could be based on levers of change, with components similar to those indicated below.

Marketing approach

The framework would be designed to serve organisational needs and to promote improvement in performance through the development of people. The aim would be to establish such development as a core business function. The scheme and standards would need to be based on the practices of high-performing organisations. They would need to be given a high profile and to achieve industry acceptance. While the standards would focus on organisational processes, scheme promotion would focus on business outcomes. The scheme would need a clearly identifiable visual form that was associated with direct statements concerning business benefits as shown below.

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'Investing in Change'—
business performance improvement

- delivering business performance improvement
- building business capability
- valuing people and development
- networking workplace learning
- focussing activity on improvement

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